ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, July 11, 2022

The meeting of the Economic Development and Finance Standing Committee was held on Monday, July 11, 2022, at 5:00 p.m., remotely via Zoon as well as on-site. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, Townsend, Stites, McKiernan, and BPU Board Member Haley (arrived at 5:16 pm). The following officials were also in attendance: Patrick Waters, Deputy Chief Counsel; Debbie Jonscher, Acting Chief Financial Officer; Becky Berger, County Treasurer; Andrea Vinyard, Deputy Treasurer; Reginald Lindsey, Budget Manager; Monica Sparks, Acting UG Clerk; and Brittnie MacDonald, UG Clerk's Office.

Chairman Burroughs said I would like to call the Economic Development and Finance Standing Committee to order. I would like to welcome David Haley from the BPU, joining us remotely, as I believe Commissioner Townsend is too.

Before we get started, I want to announce that some committee members, staff, and the public are attending remotely via Zoom as well as on-site. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, please make sure that you announce yourself by name and title every time you speak so the public that is observing knows who is speaking. This is critical given the number of remote participants and is the current guidance from the Kansas Attorney General.

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. The public may also indicate their intent to provide remote public comments by contacting the Clerk's Office by 5:00 p.m. the Thursday before the meeting. The public also will have an opportunity to provide brief comments either by telephone, via Zoom, or from the 5th Floor Conference Room of the Municipal Building.

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

Chairman Burroughs said there were no revisions to tonight's agenda.

Chairman Burroughs said our first order of business is the approval of minutes from our June 28, 2021 meeting. If I may, I would like to ask Legal the purpose of the meeting being a year late to this committee.

Patrick Waters, Deputy Chief Counsel, said I'd ask the Clerk to clarify that. **Monica Sparks, Acting UG Clerk,** said, Commissioner, we did an audit of meetings from last year and found that these minutes had never been approved. **Chairman Burroughs** said thank you. I wanted to ensure that the public understood that we were running minutes that were a year old. So, I would entertain a motion for approval.

Commissioner Stites said myself, and I won't speak for Commissioner Davis, but we weren't here as commissioners during that period. Do we need to abstain from voting? **Mr. Waters** said no, otherwise we wouldn't have a quorum, so you can vote on this.

Chairman Burroughs said and it's fully understand, should you chose not to vote, but if you don't vote, they'll have to come back before us again and it's going to be the same situation as we're experiencing this evening.

Action: **Commissioner Davis made a motion, seconded by Commissioner Stites, to approve the minutes.**

Chairman Burroughs said we have a motion and a second. I would ask the Clerk to please call roll.

Roll call was taken and there were five "Ayes," Davis, Townsend, Stites, McKiernan, Burroughs.

Chairman Burroughs said thank you, committee, especially to our two newest members on the committee. Appreciate that very much.

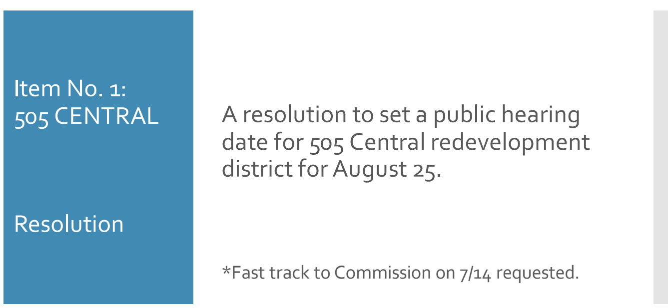
COMMITTEE AGENDA

Item No. 1 – 211795….RESOLUTION: SET A PUBLIC HEARING DATE FOR 505 CENTRAL

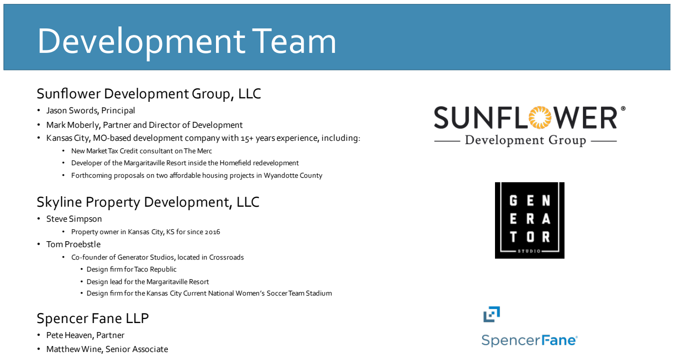
Synopsis: A resolution calling and providing for notice of a public hearing on the advisability of creating a redevelopment district at 505 Central Ave, submitted by Katherine Carttar, Director of Economic Development. It is requested that this item be fast-tracked to the July 14, 2022, full commission meeting.

Chairman Burroughs said at this time, I will recognize Katherine Carttar, Director of Economic Development, for the resolution.

Katherine Carttar, Director of Economic Development, said I would actually request that maybe we look at the first two items kind of in tandem and maybe I'll give a presentation overall, and then we can kind of go through since they are related.



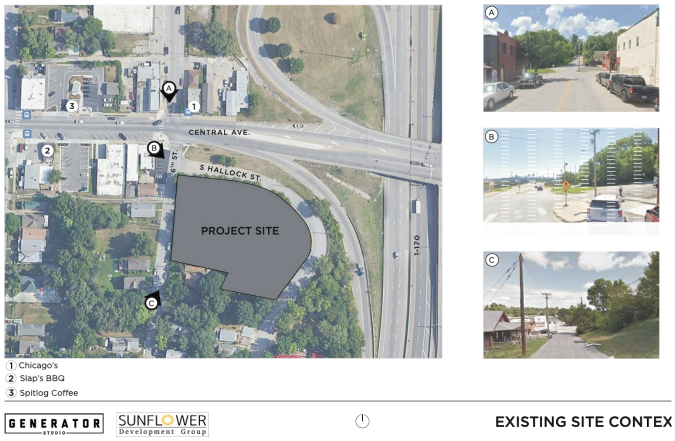
This is a project that has—I think everyone is very well aware of this project. This is an apartment complex at 505 Central that's just right at the southeast corner of 6th & Central. This is a project that has already gone through a lot of the Planning and they had to get their rezone and a master plan amendment, so it is no stranger to kind of the public forum. This, now, is kind of a separate, yet related, track that the project will go down, which is the incentive project they are requesting a TIF district be created for this location. I'm going to kind of let the developer give an overview. Then I'll get into the actual specifics of the deal points, and then we'd go through and do the two items if that works for everyone.



Mark Moberly, Sunflower Development Group, 1125 Grand Blvd., Suite 202, KCMO, said I'm here representing the development team that's made up of my firm as well as Skyline Property Development, who is Steve Simpson and Tom Proebstle, owners of the property, who you've met before. I do have Pete Heaven here, a partner with Spencer Fane Law Firm, in case we have any questions regarding the development agreement or any legal questions.

I believe all four of you gentlemen were in attendance at the commissioners' meeting, so you've seen these slides. I will go through them pretty quickly, but do stop me if you've got questions; happy to answer.

You know the site, directly across from Chicago's at the corner of 6^{th} & Central as you enter into KCK.



There's an overview of the project site. To get your bearings, we've shown three images to the right of the site of the project, and then we've labeled Chicago's, Slap's, and Splitlog on the map as well with 1, 2, 3 to familiarize those who are not.

Project Facts

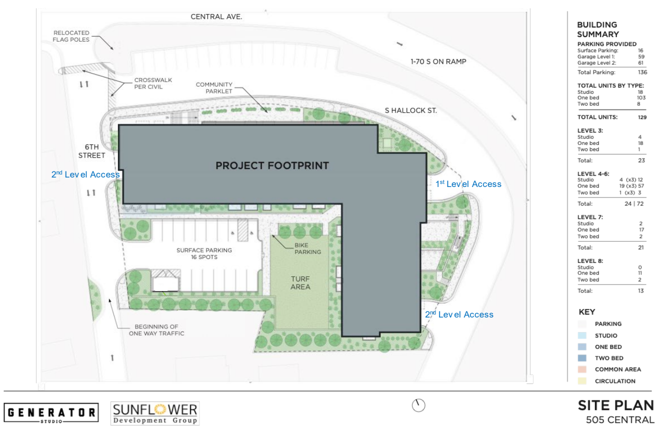
- $40 million investment in urban core of Kansas City, Kansas
- 129 market-rate rental apartment units
  - Studio = 18 units
  - One-bedroom = 103 units
  - Two -bedroom = 8 units
- On-site parking
  - 120 parking garage spaces + 16 surface parking lot spaces = 136 total parking spaces
  - Parking spaces required by code = 133 parking spaces
  - No parking variance required
- No residents or businesses displaced
- Existing sight-lines maintained for surrounding businesses and homeowners
- Major investment in surrounding utilities, particularly aging sewer lines
- Third-party traffic study found project has minimal impact on daily traffic
- Will spur improvements for pedestrian/vehicle access at intersection of 6th & Central
- Fills the market-rate multifamily housing gap that exists in the area today
- Increased number of residents drive increased economic activity to local businesses, especially the small businesses in the immediate area
  - Results in an increase to the sales tax base and attracts new businesses to the area

Project facts, they have not changed since we presented to the Board of Commissioners. It remains a $40M project. Whatever savings we might have found over the last month in construction costs have been offset by an increase in interest rates, unfortunately. So, where I win one time, I lose the other. It just seems to be the state of what we're in today.

It's 129 market-rate rental apartments. You'll recall at one point, we're as high as 150 some. We were down to 140 and then ultimately we're at 129. When we requested the change in zoning and the master plan amendment, which allowed us to do a number of things, the chief of which was to not request a parking variance. This entire project is parked on-site with 120 parking garage spaces and 16 spaces in the surface lot, so no parking variance needed.

No residents or businesses are displaced outside of our property. The existing sight lines are maintained. I'm not going to go through those sight line studies, as you've seen them, but we do believe our existing sight lines are maintained.

We've got major investments surrounding utilities, particularly aging sewer lines. You've seen the third-party traffic study that says very little impact on daily traffic. We believe this will spur improvements for pedestrian and vehicle access. That's what we're going to talk about a little bit tonight. We think it fills a void in this area for market-rate multifamily housing. Just the increased number of residents, we believe, drives increased economic activity to the local businesses, particularly the small businesses that I mentioned in the surrounding area.

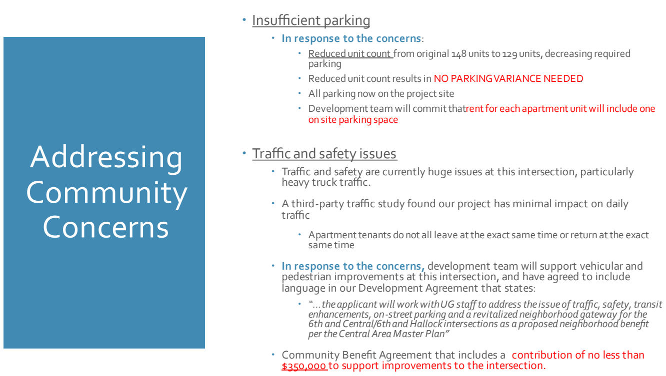


A look at the project footprint and you'll see that we're able to access the first level of the parking garage from the east at the lower level, and then we've got two points of access into the second level of the garage and then it goes up with six stories above that.

I don't have anything beyond this for the individual floor plates that show the unit layouts. We pulled those out for today. I'm happy to talk about those if you do have questions though.

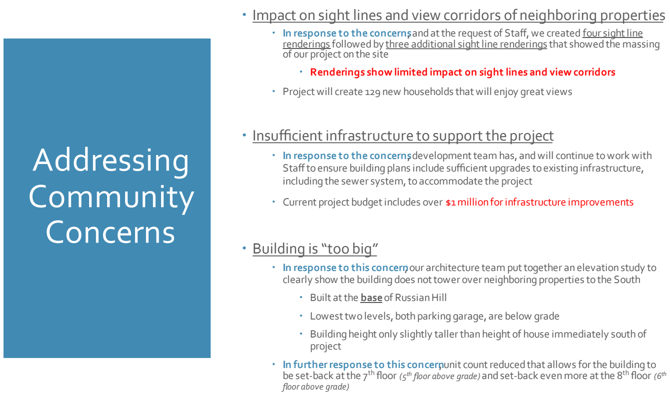
This is a preliminary rendering. When we spoke with the Board of Commissioners and got the approval a couple of months ago, we did talk about what the aesthetics of the building will look like, anything from the type and the color of materials being used to what the building—is it a box, is it a flat roof? We are the in middle of those discussions with neighborhood stakeholders. The Strawberry Hill Neighborhood Association is leading the efforts to provide us with feedback. There's a couple of folks who are very engaged in that, and very soon we'll be meeting with them to talk through what ultimately, we will present in our final development plan. But this is the same rendering as you've seen for the past few months.

Same, as well, from this angle.



I'll briefly go through these just as a reminder of the concerns that we've heard from the community and how we've responded to those. The parking has been one the biggest discussion items where we have reduced unit count to be able to park the project on-site. We've also agreed that rent for each apartment will include one parking space.

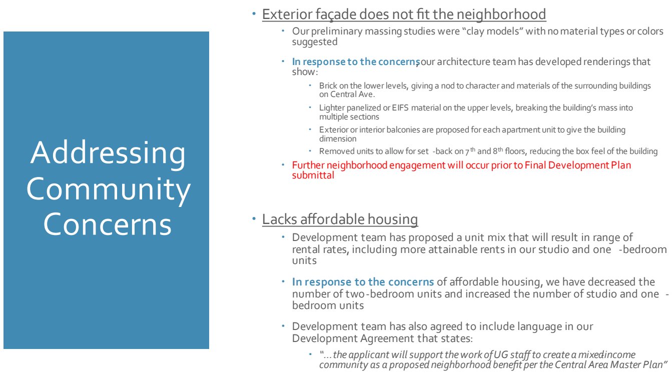
Traffic and safety issues. We're going to talk a lot about that tonight because we're going to be, hopefully, a catalyst for not only small change, but larger change. You'll see at the bottom of this slide, it has been updated, but our contribution is now no less than $350K. When I was in front of you two months ago, it was $250K. So, we have increased that to $350K, and that is what is currently in the draft development agreement.



Sight lines. We've talked about at the Commission meeting and the rendering shows that there's limited impact on the sight lines and the view corridors.

Insufficient infrastructure. We believe we're addressing just by having that scope and cost in our budget to increase that infrastructure.

We've heard concerns that the building is too big. We've tried to educate, with renderings, that it's at the base of the hill, not at the top. That the lowest two levels are in the grade, not above grade; and that once ultimately built, the building height will be no higher than the house immediately south of the project. I'll also remind that in further response to this concern, we've reduced the unit count and set back the building at the top floor on the west side for better views or maintaining the sight lines up 6th St. even further.



The exterior facade does not fit the neighborhood. We understand the concerns and so we're working with the neighbors now to get that feedback on what the building might ultimately look like. What the materials would include and what colors they might look like.

The lack of affordable housing. We understand that concern. This is a market-rate project, but in response to those concerns, we have done a few things, not for necessarily affordability, but attainability in the project. Then we've committed to language in the development agreement that supports creating a mixed-income community.

I'm going to turn it back over to Katherine to talk about the specifics of what we're here tonight.

Ms. Carttar said in terms of what is in front of you tonight, there are two resolutions. One is an approval of the development agreement. Reminder, the development agreement really is just a laying out of all the deal points, what the Unified Government is going to do, what the developer is going to do, making sure that all those roles and responsibilities and expectations are laid out on the front end.

It also goes into kind of what we anticipate the different asks in terms of incentives to be. In this case, TIF and IRB sales tax exemption. Then, we will have to go through a process of creating a TIF district. If that is approved, then we'll come back again and go through the process of the actual project plan. The project plan is really what would provide this project, that Mr. Moberly just described to you, with the kind of go from our side that they would receive that incentive.

This is the first of still a many-step process. I want to be clear on that. I've got a list later that kind of delineates exactly what the next steps would be.

Additionally, there is a resolution setting a public hearing date. Part of the Kansas State Statutes for TIFs, requires that the setting of the public hearing date also go through and be approved by this committee and the full Commission. With that one, I would say, in terms of, and we'll get to it, but in terms of what you need to know today is setting a public hearing date for August 25th. Actually, at that public hearing on the 25th would be when you would look at the boundary and determine if it makes sense to put a TIF district in this location. No actual incentive is approved at that point. It is literally putting a boundary and saying that this meets the requirements and would make sense to have a district for a tax increment financing boundary.

Those are kind of the two things that we're talking about as we go through these deal points, but I'm going to really primarily focus, since one is solely talking about setting a date, I will focus more on the development agreement and kind of what those deal points are.

Deal Points

Tax Increment Financing

- 90% of incremental property tax increase will be reinvested into the project on eligible expenses.
- Pay-as-you-go only TIF. No bonds issued or backed by the UG.
- Redirected revenue will be capped at $6,000,000
- Standard protection with a public/private ratio cap of 50/50. With a project budget of $39 million and a maximum TIF contribution of $6 million, the public/private ratio is 15.4%.

IRB Sales Tax Exemption

- Limited time sales tax exemption on construction material during building of the apartment

In terms of the tax increment financing request, as a primer to our public in particular, what tax increment financing is, it's a little different from, I think, the more commonly used tax abatement tools in that the developer, in this case, Mr. Moberly's group would—that project would be built and would be assessed by the Appraiser. Then the development group would pay the full property taxes to the Unified Government at the percentage that we're talking about. In this case, 90% of that incremental property tax. We're not touching what is currently being paid on the property today. This is only what is that incremental additional property tax that is generated due to what they are building.

Then, a certain percentage of that really gets reimbursed or kind of reverted back to the project. I really think of it as the Unified Government investing in this project.

There are very specific eligible expenses for a TIF. It cannot go to just everything and anything. It is very specific what it can go towards and what that money can be used to reimburse.

That's kind of at a high level how the TIF works. In this case, they are requesting a 90% TIF so that would be, again, 90% of that incremental value would go back into the project. In this case, the items that it can be used for are site work, so grading. There's a pretty severe change in grade, so trying—there's a number of things they'll have to do with the site work, as well as structured parking. The structured parking is allowable as an eligible expense.

This is a pay-as-you-go TIF. What that means is that the Unified Government is not issuing any bonds. We're not backing any bonds. We're not fronting any money of any kind. This is solely every single year, they pay their property taxes, we then kind of basically a rebate, kind of send it back to them for, again, for these specific expenses. Nothing we—the Unified Government is not at risk in that respect. It's not that we will, if something happens to the project, certainly which we do not anticipate, but we're not out those funds.

Additionally, we always make sure that there's a cap. In this case, we have negotiated a \$6M cap. If you look at the development agreement, I did not put this in the presentation, but it's publicly available on the website and it's also in front of you; the development agreement, Exhibit G, shows the project budget. You can see that the TIF eligible expenses far exceed this \$6M; I think it's \$6.9M or so. We don't anticipate—we're not giving them everything that we could. This is still making sure that we have a cap to really—what we do is make sure that we get to a point where we know that the project can work, really focus on making, filling that gap and nothing more.

Additionally, we will make a very clear focus to look at what that private/public ratio is. Per the state, there is a 50/50 kind of ratio. That is kind of the goal. Here at the Unified Government, we put this in every single one of our whether it's an industrial revenue bond or a TIF or any other CID, we always make sure that there is a very specific ratio that we put in there because we want to make sure that the Unified Government is only putting in as much money into the entire project as we feel makes sense. Generally, our kind of policy goal is less than a third of the entire project budget. The Unified Government never wants to have more than a third of that budget to be public money. In this case, you can see that the public/private ratio is only at 15.4%. That \$6M equates to only about 15% of the total project budget, which is pretty good. We feel good about that.

So, that's kind of the TIF. Then there is a sales tax exemption on construction materials. This is one we've seen frequently. This does not touch the property taxes in anyway. It is a very focused incentive just during the construction period just to allow that sales tax exemption.

Deal Points

Neighborhood Improvements Contribution (Community Benefit)

- On or before the commencement of construction of the Project, the Developer will pay the UG $350,000 as a Neighborhood Improvement Contribution.
- The UG will use these funds to make improvements to the intersection of 6th & Central Avenue, including traffic calming improvements.
- Will benefit the residents, workers, and visitors to Central Avenue and Downtown KCK.

LBE/MBE/WBE

- Developer has agreed to the following participation goals for construction and professional services of the project.

	Construction	Professional Services
LBE	18%	18%
MBE	15%	13%
WBE	7%	8%

Then, as Mr. Moberly mentioned, there is this community benefit. We call it the neighborhood improvement contribution. This is something that we've been talking about throughout the entire process we've been negotiating this agreement. Really, we're trying to find something that was very focused. I think its important when we're talking about a community benefit that it not just be—free money is always great—just having money put into an account that we can spend for different things. I think it's more impactful and better for the community if it's upfront and very clear where that money is going. So, we've been having a lot of discussions about that as well as how much money would make sense.

What we have agreed to is a contribution upfront, so this is at the start right when they commence the project, of $350K would come to the Unified Government. We have agreed that these funds would be used to make improvements to the intersection at 6th & Central. I think it is fair to say anyone who has driven through this intersection lately recognizes that it needs some improvement.

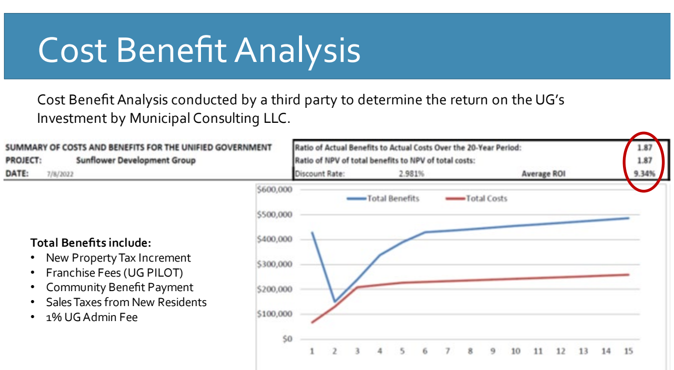
We have had a number of going through the planning process. The development team, they were required to have a traffic study done. That traffic study showed that it would provide minimal kind of impact to that intersection because people when you are at an apartment, you're coming and going at different times. It's not everyone coming in at the same time and leaving at the same time.

Because of that, it's interesting. We actually had—because we know that intersection is not great—we actually had another firm that we hired to look at it from our perspective, from the UG's perspective. They also agreed that there would be minimal impact from the apartment complex. However, because this is such an issue and something that we see when talking to the community, both Russian Hill, Strawberry Hill, up and down Central Avenue, that this intersection is a problem.

In speaking with the development team, that really made sense to be something that we could really focus on and this fund could show and actually have a very tangible impact on the community. Really focusing on that traffic calming. In working with our zoning engineer, that's how we got to what that cost would be. We wanted it to be enough that, again, there could be a real tangible impact.

Now, we are also working on the UG side in doing some larger improvements to that area, indeed, all up and down 6th St. At the very least, we have this $350K to make some improvements. At the most, we have this contribution that when we are applying for other grants and things, we can say, here's a private company who is developing, believes in this location, and is so passionate about this location that they're even putting up their funds for this location as well. So, it's kind of a match. Hopefully, we'll get some larger grant money out of this and that will pay for even larger improvements.

Then, as with all of our projects, we have L/M/W goals. You can see those laid out right there. Those are our normal goals for all of our projects.



One thing that was a little different with this one, unlike with the industrial revenue bond where we're required to do a cost benefit analysis, with a TIF, we are not required, but there has been so much discussion about this, the Mayor and others suggested it would be really nice if we could actually quantify what the benefit would be. We contracted with a third-party group, Municipal Consulting, LLC, to do a cost benefit analysis. They looked at all of the cost going in and determined then what would that look like. What would those benefits and costs be for the Unified Government. This is specifically looking at the Unified Government, not all taxing entities. I want to be clear on that.

If you look up in that top right corner, you can see the ratio of actual benefits to actual costs. Our rule of thumb is 1.3. We'd like to see, at a minimum, a 1.3 ratio so that means for every $1 of costs from the Unified Government, we get at least $1.30 back. In this case, it's 1.87. That's really good. That means that we're getting $1.87 back for every $ 1 that we are investing into this project.

Then you can see this graph there that shows kind of the total cost year-over-year—not year-over-year, that's every year what those total costs and benefits are. That first kind of spike right at the beginning, that's including the $350K of benefit there that first year, then you can see how it just grows. So, every year we're receiving quite substantially more than we are giving away.

Those total benefits include new property tax increments, so we would be getting a 10% sale, which would be about $25K on average a year. Franchise fees, which is the UG PILOT, that community benefit came in. The sales tax from new residents. This is a really big one because that is one of the reasons that we are frequently talking about our need for additional density in the downtown area, among other locations in KCK and Wyandotte County. With more density and more people, now we have the ability to really benefit the retail and commercial in the area. Have more people working here, living here, spending their money here, that all will benefit and actually leads to additional amenities for our residents. Then there's a 1% UG admin fee.

This, in terms of the cost benefit analysis, I think this is a really positive look at kind of what that return on our investment would be. I'd be happy to answer any questions about that.

Commission Actions for TIF Formation

Action Items	Dates
Resolutions: Approve Development Agreement Set public hearing date establishing TIF District	ED&F – July 11th Commission – July 14th (setting public hearing) August 25th (DA)
Public Hearing & Ordinance: Approve formation of TIF District Resolution: Approve Development Agreement	Commission – August 25th
Resolution setting project plan public hearing date	ED&F – Commission –
Ordinance: Approve Project Plan	ED&F –
Public Hearing & Ordinance: Approve Project Plan	Commission –

Finally, just as I mentioned, this project's already gone through a number of steps with the planning side, now this kind of lays out all the different steps for the incentive side. It's quite a number of things to come. As you can see, we're just there at that first one, which is the development agreement and the public hearing date, just that ED&F. We are requesting that the public hearing date would be fast-tracked for July 14^{th}. There needs to be a 30-day window there, by state statute, so that we can set the public hearing for August 25^{th} for the full Commission. We need to see that on the 14th of July. Then at the August 25^{th} date, that would be both the approval of the development agreement and a public hearing that would then be you all looking at establishment of the district.

With that, we can answer any questions.

Chairman Burroughs said thank you, Katherine. Thank you, Mr. Moberly. Committee, questions?

Commissioner Stites asked on the L/M/W, Local/Minority and Women-owned businesses, and the percentages are set out there, what is in place if they don't meet those percentages?

Patrick Waters, Deputy Chief Counsel, said we are able to reduce their TIF cap by 20%, in the scenario, where they would not reach those goals.

Commissioner Davis said thank you, Katherine. You're very, very thorough so I appreciate that. For this one, I just want to make sure I have this correctly. There are no PILOT payments for this particular project because we're talking about a TIF district; not just property abatement. Is that correct? **Ms. Carttar** said that is correct.

Commissioner Davis said, Mr. Moberly, I know when, it feels like ages ago at this point, when we had a discussion for full Commission about giving you all the change of zoning that you were asking for, there was a request for the building to be shorter, for it to be four or five stories. I know that we're still getting eight, can you just comment on the feasibility of that? Did you, at least, do your due diligence? I'm trying to see if that was possible.

Mr. Moberly said thank you, Commissioner. I should have addressed that. We did go through that process. We were able to spend some time with both Commissioner McKiernan and Commissioner Burroughs to talk through the steps we took to understand what that might look like. Ultimately, what it came down to, we still need to park a project on-site. We have to build at least one story of parking. That's a certain number of parking spaces. Now, I only have a certain number of units I can build. To get up to the maximum that R-5 would allow, we would need a second level of parking. By the time I build two levels of parking, I've got tons of expensive parking but without the ability to continue to build additional stories. We talked a little bit through that.

More units allow me to spread the fixed costs across more units. That's the cost of just to go into the side of the hill to own the property, to design the project. Those are necessarily on a dollar for dollar, unit by unit case.

One of the other biggest challenges was, we're not able to put some of the amenities in that smaller project that we have programmed in the current property, so a reduction in rent would be necessary, which, quite frankly, just killed any financial model.

I did come up with a number. There is a financial gap beyond what we're seeking today. It was in the neighborhood of $6-$7M of additional gap that would be needed. I made the comment to Commissioner McKiernan, if that money is sitting around, I don't think you want to just write the check into this project. We can do a lot of other good projects across the community with that. So, quite frankly, we just couldn't find a financial model that made sense at this particular site.

Commissioner Davis said gotcha. Thank you, thank you. Then, two more questions. One, I know it's 90% TIF. There's that 10%. Is that 10% going into the General Fund or is that also going somewhere else? **Ms. Carttar** said yes, that 10% would just go directly into the General Fund.

Commissioner Davis said okay. And the 1% UG admin fee, is that 1% of the total capital investment or what is that 1% of? **Ms. Carttar** said that would be 1% of what the redirection would be. It would be 1% of the 90%. **Commissioner Davis** said gotcha. Okay, gotcha, gotcha, gotcha of what they would have paid.

Chairman Burroughs said good questions.

Commissioner McKiernan said, Katherine, the nearest and closest project to this, in terms of geography, would probably be Yards II. Although it is a larger project, if we looked at the incentive given for Yards II, how does it compare in terms of percent of total budget costs and total incentive dollars?

Ms. Carttar said the Yards II project is about a $60M project. They are receiving—have been approved for a 100% TIF, so that means all of that incremental property tax would be completely redirected back into that project. While the Unified Government will be receiving the additional sales tax and all that from having additional residents; in terms of property tax, all of that would go back into the project. I should have looked at the exact number of what that cap is. I believe the cap is about $11M.

Commissioner McKiernan said thank you. One of the points I want to make is that I voted to approve that 100% incentive because I do believe that that project has the capacity to spur additional development in that geography, which is the east side of the Kansas River. It strikes me that this project could have a similar ability to spur additional development in this geography. So, I wanted to get a sense of how the comparable incentives are and that on the east side of the Kansas River got more incentives than is proposed for this one.

I also know that down on the riverfront, we have the Rock Island Bridge. That one also has 100% abatement for 20 years. We went the additional step of actually loaning $2M, which that TIF will just then allow us to recover what we loaned out. Again, I voted in favor of that because I believed that it had the capacity to spur additional development above and beyond which would then pay a higher percentage and would ultimately benefit us more. So, on the east side of the Kansas River, I voted twice for projects that are getting more incentives than is proposed for this one.

Chairman Burroughs asked, are there any other questions? Staff, I do not have access to the screen to see if any of our conferees from the committee are raising their hands. **Ms. Sparks** said there are no hands raised.

Chairman Burroughs said seeing no other hands, Katherine, I do have a couple of questions. I'm looking at the development agreement and, Legal, I'm going to call your attention to page 3, paragraph b. This must be an earlier version of the contract because it still has the 148 total units listed. I just want to—I think there's a typo in there, but I just wanted to ensure that it's 129 units and not 148 as clearly stated. Having reviewed this this afternoon at great length, this is a much better contract, as Commissioner McKiernan brought forward, than some of the other incentives that have come forward for projects. So, I do appreciate the work that's gone into this.

Chairman Burroughs asked, do we have a total amount of revenue calculated, the aggregated amount of what the IRBs might save them? How much money that aggregated amount of the sales tax on goods, labor, purchases, do we have a total on that, Mr. Moberly?

Mr. Moberly said we have an estimate. I'll see if I broke it out. It looks like it's about \$860K in savings. That's a really rough estimate. **Chairman Burroughs** said thank you. I appreciate that. I estimated it anywhere between \$650K and \$1M, so you hit the sweet spot. That's pretty good. **Mr. Moberly** said I just take a simple formula; 40% of our budget's going to be materials and then apply a 6% sales tax rate to that number to get a ballpark.

Chairman Burroughs said wonderful. This is a two-year buildout. That's a pretty aggressive timeframe for the complicated build that it is. So, thank you for wanting to get on it and move it forward, should we advance it this evening.

Chairman Burroughs asked, Legal, Patrick, the only thing I have is one more question in reference to page 5 of the agreement. We have base year assessed evaluation. There's no total in there. That assessed valuation should be—we should have knowledge of that by now. **Ms. Carttar** said yes. It is \$8,800, roughly. **Chairman Burroughs** said I'm sorry, Katherine. **Ms. Carttar** said it's about \$8,800. I have the exact number…**Chairman Burroughs** said okay. I just wanted to make sure that we had a public comment as to what the amount of that base…**Ms. Carttar** said and we'll be—thank you for your attention to detail.

Patrick and I just discussed the fact that we needed to make sure that we had an updated version. I think the difference between that 148 and now the 129 units is actually an important thing to note. You are correct; it is 129 is what we're talking about. When this comes in front of the full Commission, we will, be sure, make that edit. I think it is important to note that the reason that number changed is due to the community input and having the development team hearing what the community was looking for as well as the parking issue. So, that is why that reduction in units is here.

Chairman Burroughs said thank you, Katherine, and thank you, Mr. Moberly, for meeting with the community as much as you have. I'm sure the other committee members have read through the contract too. I know this is an important issue to many of us. The $350K will go a long way towards addressing some of the concerns that have been raised.

To your timeframe/tough build, I commend you on your expediency in getting this project to move forward.

Commissioner Townsend said just a couple of comments. Thank you, Ms. Carttar, for your thorough primer on the different aspects of the contract. That was helpful for me, and taking copious notes is a primer for some others to come up.

I wanted to commend the developer and the neighborhood group who have come together to move this along. I remember the Thursday night when this came before the full Commission, I think, and it seemed like on both sides, it was going to be rough. But, to hear the reduction of the units, when probably on that Thursday night that didn't seem possible or financially beneficial, and the other changes that have been made, I just wanted to comment and commend both sides on this and hope this does go forward and in two years, you're looking at this new building completion.

Chairman Burroughs said I just want to draw the committee's attention that Exhibit G contains all the total budget for the project. If you have any questions of what can be included in the TIF and what can't, I think that spells it out straightforward right there on Exhibit G. Katherine, thank you for including that in the paperwork this evening.

Chairman Burroughs said I believe if there are no other questions or comments from the committee. Seeing none, I'll ask the Clerk if any comments were received from the public? **Ms. Sparks** said no comments were received.

Chairman Burroughs said thank you. I'll now recognize members of the public online who wish to address the committee. You will be given up to three minutes to make your comments. Please list your name and address. I'll ask the Clerk at this time—and when you're recognized, name and address. I'll ask the Clerk at this time if there's any hands raised for people who care to speak. **Ms. Sparks** said there are no hands raised.

Chairman Burroughs asked, is there anyone in the audience who wishes to speak? You will be given the same three minutes to make your comments. Please, if you'll approach the podium one at a time. Again, your name and address. You'll be held to your three minutes.

Lester Lawson, 201 S. Tremont, said I have one question. Why wasn't the developer's agreement put on the internet when you place the agenda of this meeting so that the public would have a chance to read it over and ask good questions about it tonight? This is the first the public has seen it. Thank you.

Rose Eilts, 506 N. 4th St., said I've been involved with a group of people who live on Russian Hill who are against this project. I'm speaking for myself but I'm reflecting a lot of what they've said to me in the past and what we've talked about recently.

I do know the contribution for the community has gone up from $250K to $350K, but that still doesn't seem like enough when you consider the intersection at 6th & Central, I've been told by the Planning Department, the changes to that intersection will probably cost $1M. So, I'd like to know where the additional money for that upgrade would come from. It'd be great if we knew that.

I'd like to reiterate what Mr. Lawson said. I've been reaching out to the Economic Development Department through email asking to be kept abreast of what was going on with these negotiations and couldn't get any traction. So, I'm very, very much against any kind of fast-track of this project because we do have a consultant that we're working with on this and an attorney, and I'd like to get that information to them so we can get some feedback and ask some educated questions and make some educated comments.

I did want to repudiate a couple of things that Mr. Moberly said. There were very few, very short and non-interactive meetings with the Russian Hill neighborhood. **Ms. Sparks** said one minute remaining.

Ms. Eilts said they would do presentations, via Zoom, in English. There was no—the only way you could ask questions was in the chat. There was no way to talk back and forth, and we were cut off after 30 minutes. They made absolutely no effort to reach out to the Spanish-speaking community, which is a fair percentage of the folks that live up there. So, we went door-to-door with a translator and explained to them what was going on. They'll all against it. They understand that it's going to ruin the fabric of the neighborhood and put a lot of stress on their neighborhood.

Also, I did read the traffic study. My understanding of it, even though I'm not a traffic engineer, was that it's not minimal impact. It's big impact on that intersection. **Ms. Sparks** said your time has expired. **Ms. Eilts** said thank you for your time.

Pat Lawson, 207 S. Tremont, said we did live at 201. My presentation is scattered because we haven't received anything to make our questions intelligent, so this is sort of scattered questions. But I do want to repeat our opposition. I'm speaking of the St. Joseph Watchdogs, who really is the neighborhood group in that area; not the Strawberry Hill group. We haven't really had good communication, I don't think, on this issue. A letter or two with just numbers and so on. It was hard to understand what was going on until recently. I also think the traffic is going to be a major problem. The main thing that we remain opposed to is the change to the Central Avenue plan, which neighbors participated in and that reflected what people wanted: lower key, lower scale buildings. I, for one, think that this huge building is going to look way out of proportion. Thank you.

Greg Kindle, President of Wyandotte Economic Development Council, and a resident of KCK, said I'm here in support of the development for 505 Central and the use of TIF and a sales tax IRB for the development. We believe the structure protects the Unified Government and the citizens. We also believe the proposed multifamily development is appropriate and needed in this commercial corridor. It adds residential support for the existing businesses nearby, particularly in the evenings and the weekends, and it brings investment to the eastern part of the community that's been discussed as being desired for a long time.

The proposed development provides quality housing and amenities that do not exist presently in this area. There is market demand. The project has adequate parking for the development. It seeks to enhance the entrance to the community. And they've been open to input to make this work both the community and/or financially.

Sunflower Development has worked in the community before. I know them to be thoughtful and respectful of our heritage and diversity. I ask you to approve this development agreement to the full Commission. Thank you.

Chairman Burroughs said thank you, Mr. Kindle. Any other conferees? Seeing none, I will once again go back to staff. Is there anybody present online? **Ms. Sparks** said there are no hands raised. **Chairman Burroughs** said thank you.

Chairman Burroughs said well, committee, we've had this before us now a couple of times. I'm going to ask one question of Legal. I know we have Item 2 is the resolution. These will be two separate issues even though they are combined into the overall presentation. Is that correct? **Mr. Waters** said that is correct, Mr. Chairman. Two separate votes.

Chairman Burroughs said with that, committee, there's no more questions or comments, I'd entertain a motion.

Commissioner McKiernan said before I make the motion, I want to—I'll just tell you, I do believe that this project is worthy of moving forward to a full public hearing regarding the TIF district boundaries and a full consideration by the full Commission of a potential development agreement.

Mr. Moberly, tonight, has already said that there were a couple of things that they are still working on, especially in terms of the aesthetics of the project. I'd like those to be cleared up before we come to consider the development agreement. Mr. Lawson said that the development agreement, and I will agree, did not go online with enough time for us to fully consider it, but if we were to move this forward to full Commission, that would not occur.

To Ms. Eilts, I'll say, fast-tracking is only fast-tracking the decision to set the date for the public hearing for August 25th. So we fast-track to the 14th for the purpose of then just setting the date to August 25th. Then we all have about five weeks that we can look through the materials that were posted online and we can ask some additional questions in advance of the public hearing and the development agreement.

Then we, as a community, can come together one more time. I mean I know we all enjoy each other's company, and we like to get together and talk about this project, but we can all come together one more time and consider an updated proposal from Mr. Moberly.

We can ask Public Works to comment on the impact of the traffic study or impact of that because Ms. Eilts has brought up a concern that she isn't sure that there will be minimal impact by this, so we can ask for additional clarification of that. We can ask the question of Public Works about the fact that $350K may not be sufficient for the entirety of an intersection upgrade, so where will the additional money come from. If it will require more, what's going to be our capacity to take on that additional dollar amount. So, we can ask that on the 25th as well.

With all of that said, and I have many more concerns. I have a whole list of concerns that I have heard, and I have just my perspective on those concerns. I would choose to share that on August 25th rather than in this committee. I would ask that the entire Commission consider this TIF district boundary and this potential development agreement rather than just this.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Davis, to move the public hearing forward, approve setting the public hearing date for August 25th, and further approve fast-tracking that decision to the July 14th full commission meeting.**

Chairman Burroughs said we have a motion and a second. Any discussion?

Commissioner Stites said I don't want this to change anything in the motion, but what I would like to say is before this is brought back before us, I'm not sure what efforts have been made or have not been made to reach out to the Spanish-speaking residents of that area, but I would sure like to be able to hear that before this comes back to us that there was some sort of an effort made and positive results out of that, not just well, we tried and we didn't speak to anybody; that you all actually engaged and had meaningful conversation.

Commissioner Davis said before I wanted to second that so that we could get going here, but I echo what my colleagues are saying here. I would like to see some effort there. I do think we've put together, and staff has really put together, a really, really good project and pretty good financing. I do think that there's still other questions that we probably need to consider. Maybe we look at some other revenue sources within the particular—the 10% that's being generated from the project that's not TIF related, the 1% of the UG admin fee; maybe we add that together for the traffic calming so that we can get more of a funding in there. But I do think that we are somewhere very, very close to having a fantastic project. I stand by my second.

Chairman Burroughs said we do have a motion and a second.

BPU Board Member Haley said I appreciate the presentation that has come forth and what seems to have been a very well-vetted discussion that has ensued. I'm very appreciative too of the concerns that have been expressed by the neighborhood groups, certainly St. Joseph and the surrounding areas. On balance, if this were the only opportunity to weigh-in by those who continue to have lingering concerns, I would not support the motion, but I do.

I've heard some of what Mr. Kindle and others have said, the mesh for the growth of the area, for residential that augments much of the commercial development in this area is going to have to come at some point in time.

I appreciate the limited role or the enhancement the BPU will play to offset some of the existing expenses and how we will share those costs across the board.

Per the recommendations that have been made and Ms. Carttar has put forward and those that have with the developer, I will support it, mindful that there will be another opportunity to be heard if this motion should pass and go before the full Commission.

Chairman Burroughs said thank you, Mr. Haley. Seeing no other comments, we do have a motion and a second. I'd ask the Clerk to please call roll.

Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Item No. 2 – 211796…RESOLUTION: 505 CENTRAL DEVELOPMENT AGREEMENT

Synopsis: A resolution adopting the 505 Central Development Agreement, submitted by Katherine Carttar, Director of Economic Development.

(A formal presentation was given with Item No. 1)

Chairman Burroughs asked, Ms. Carttar, do you have any additional comments?

Katherine Carttar, Director of Economic Development, said the only thing I'd say is this development agreement is inclusive of the entirety of the project. **Chairman Burroughs** said great. Thank you.

Chairman Burroughs said if I may, if reference to the comment that was made about the development agreement, as I stated, I went through the development agreement. I don't know if it was a typo or just exclusion, if this is an older agreement, but I'm sure the newer, updated one will be the one to be posted. **Ms. Carttar** said correct. **Chairman Burroughs** said thank you.

Commissioner McKiernan said as I said before, given the potential for benefit of this project, given some of the concerns and questions, even those that have been brought forward to us tonight, I think it's appropriate that we come together as a larger group, as a full Commission, to consider the development agreement and any additions that may or revisions that may be made between now and August 25th . I would move that we approve consideration of the development agreement on August 25th. Basically, my motion is that we fast-track to July 14th setting the date for the public hearing because that's what—I'm sorry. We do not need to fast-track this. I'm trying to read my agenda here and it does not say fast-track on this item. So, I would move that we set the

August 25^{th} date, the same date as the public hearing for the TIF boundaries, as the date that we, as a full Commission, will consider the development agreement.

Chairman Burroughs said, Commissioner McKiernan, would you hold that motion. We do have to have public input on this or offer the opportunity for that. It's two separate items and I want to ensure that we follow procedure to do so.

Chairman Burroughs said I'll ask the Clerk if there's any comments received from the public. **Ms. Sparks** said no comments were received. **Chairman Burroughs** asked, any members of the public online who would like to address the committee? Seeing none. Is there anyone here in person who wishes to speak? Seeing none.

Chairman Burroughs said, Commissioner McKiernan, I'll recognize you again on your motion.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Davis, to move consideration of the development agreement, forward to full Commission for the meeting of August 25, 2022.**

Commissioner Davis said I do have a question. Do we know or have an estimate of how much the new property taxes will be for this development? **Ms. Carttar** said we do. I would say the incremental so, currently, the property is paying about $9K in property tax. The cost benefit showed that the proposed incremental or estimated incremental property tax, of course, the Appraiser will look at this a number of different ways. We'll never get a hard and fast rule by the Appraiser, but what we estimate is about $250K would be the incremental portion. **Commissioner Davis** asked, per year? **Ms. Carttar** said per year.

Chairman Burroughs asked, Commissioner Davis, you did second that, correct? **Commissioner Davis** said yes, I did second.

Chairman Burroughs said we do have a motion and a second. Any other comments, concerns?

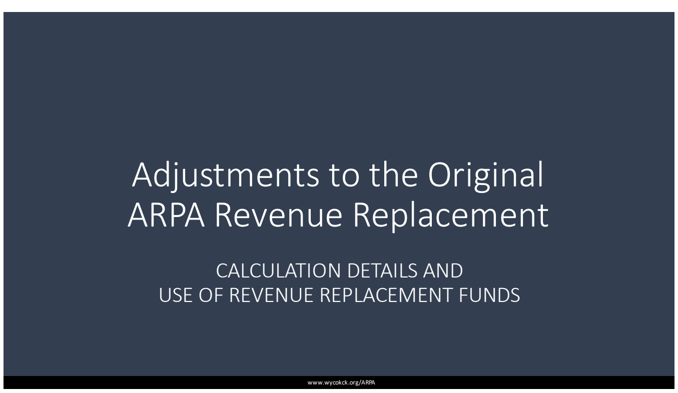
Commissioner McKiernan said if I could just please add one more thing. Given what we've heard tonight about time lag between publication of documents and the meeting at which we are all supposed to be conversing with those documents, I would ask that we make every effort to have any documents that will be considered at the meeting of the 25th, published online, available for public consumption at least one week prior to that meeting so that we can fully immerse ourselves and educate ourselves and have an informed discussion on that night.

Chairman Burroughs said thank you. Clerk, we do have a motion and a second. Please call roll.

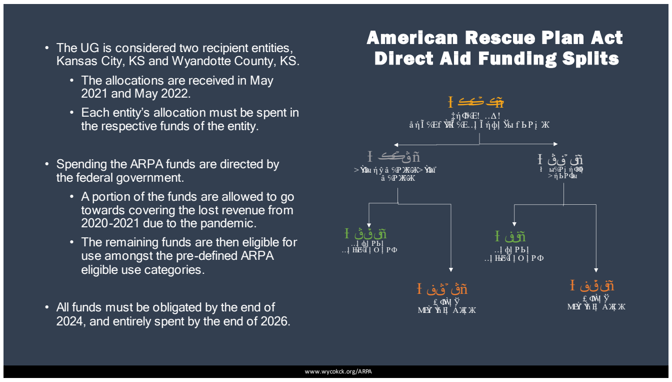
Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Item No. 3 – 211785…ORDINANCE: AMERICAN RESCUE PLAN ACT (ARPA) REALLOCATION OF REVENUE REPLACEMENT FUNDS
Synopsis: Approval of an ordinance and resolution to reallocate ARPA funds to reflect revised revenue replacement calculations, submitted by Debbie Jonscher, Deputy Chief Financial Officer.

Chairman Burroughs said tonight, we have the privilege of having Ms. Debbie Jonscher. She's our Deputy Chief Financial Officer giving us the review of the ordinance this evening.

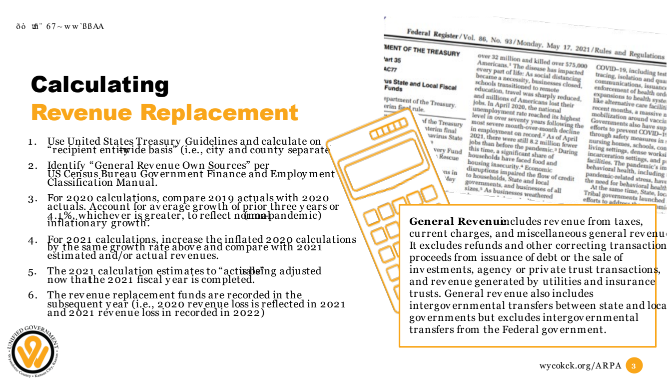


Debbie Jonscher, Deputy Chief Financial Officer, said this first item is going to be for the approval of an ordinance and a resolution to reallocate the ARPA funds to reflect the revised revenue replacement calculation. I do have a presentation.



We'll just start with kind of just a recap of where we are. The UG is considered two recipient entities: Kansas City, KS, and Wyandotte County. Allocations were received in May 2021 and May 2022. This just shows the total funding that we have. I'll just also note that each entity's allocation must be spent in the respective funds of those entities. Spending the ARPA funds is directed by the federal government. A portion of the funds are allowed to go toward recovering lost revenue from 2020 and 2021, during the pandemic. Then the remaining funds are used—based on the eligible requirements for ARPA funding.

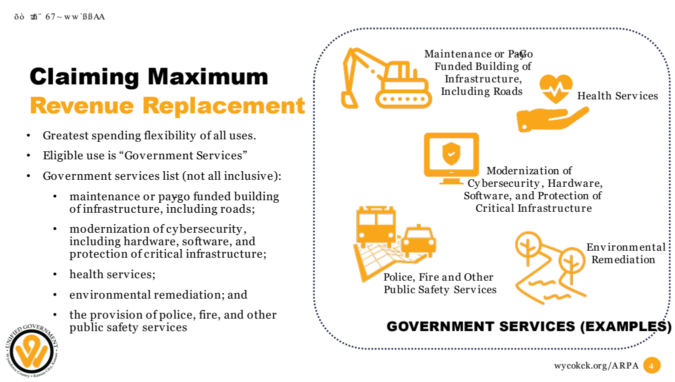
Just to recap. The total that we received was \$87.5M. \$55.4M went to the city of Kansas City, KS, and \$32.1M to Wyandotte County. Our previous estimates were that revenue replacement on the city side was \$31.1M and on the county, \$11M; with the other eligible funds for the city at \$24.3M and \$21.1M for the county.



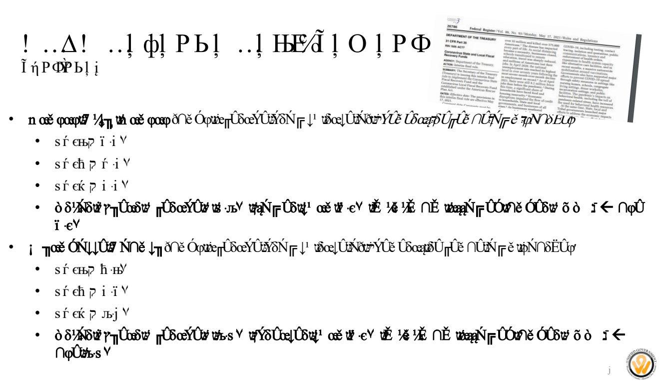
I'm just going to try to go here and just kind of show what we did in calculating the revenue replacement. We're using the United States Treasury guidelines to calculate. I just wanted to note that we have to identify general revenues own sources. So, for the 2020 calculations, we compared 2019 actuals with 2020 actuals. Then, what we could do in calculating that revenue, we could compare the difference and then account for an average growth of the prior three years, or 4.1%;

whichever is greater. We did that for both the city and the county. For 2021 calculations, we increased the inflated 2020 calculations by the same growth rate to estimate 2021.

The reason we're doing this adjustment now is when we made the adjustments for the 2021 revenues last year, it was an estimate. We didn't have final 2021 totals, so now that we do have that, we are recalculating the 2021 estimates, which are included in the 2022 budget.



This next slide just shows how we—claiming the maximum revenue replacement. Eligible uses are identified as government services so we listed here the government services. This is not an all inclusive list, but some of the main categories: maintenance of infrastructure; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; and the provision of police, fire, and other public safety services.



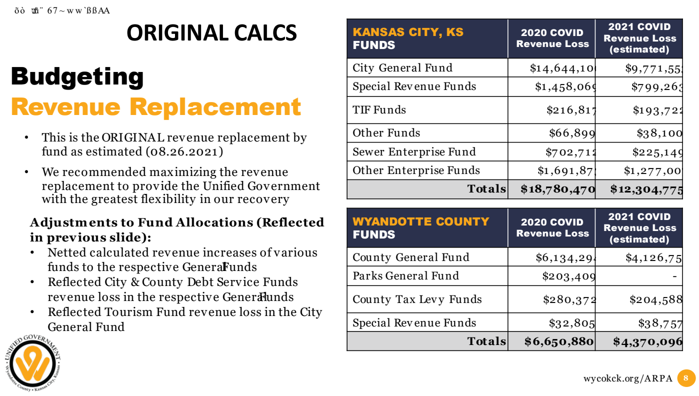
This just shows how we calculated those sources. As we said, we could use the average of the prior three years or the minimum 4.1% allowed under the ARPA guidelines, whichever was greater. You can see for Kansas City, KS, the prior three-year average was only 2.6%, so we were able to use the minimum 4.1%. For Wyandotte County, the average was 6.2%, which was greater than the 4.1 minimum that was allowed, so we were able to use 6.2% for the county.

KANSAS CITY, KANSAS FUNDS	2019 Actuals	2020 Actuals	2020 Counterfactual with 4.1% CPI increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Estimate	2021 Counterfactual with 4.1% CPI increase	2021 Est. COVID Revenue Loss
City General Fund	$ 136,642,839	$ 130,552,477	$ 142,245,195	$ (11,692,719)	$ 139,831,164	$ 148,077,248	$ (8,246,085)
Special Revenue Funds	22,756,420	20,857,395	23,689,433	(2,832,038)	23,246,073	24,660,700	(1,414,627)
Dedicated Sales Tax	10,604,121	10,563,372	11,038,890	(475,518)	11,760,328	11,491,485	268,843
Special Street & Hiway-City	7,366,968	7,067,916	7,669,013	(601,097)	7,418,000	7,983,443	(565,443)
Special Parks and Recreation-City	552,242	382,944	574,884	(191,940)	480,000	598,454	(118,454)
Special Alcohol Program-City	549,485	382,499	572,014	(189,514)	480,100	595,466	(115,366)
Tourism & Convention Prom	3,683,604	2,460,663	3,834,632	(1,373,969)	3,107,645	3,991,852	(884,207)
Specials Assets	-	-	-	-	-	-	-
City Debt Service Fund	23,391,849	22,566,780	24,350,915	(1,784,136)	24,230,259	25,349,303	(1,119,043)
TIF Debt Service Funds	2,601,402	2,566,821	2,708,059	(141,238)	2,746,499	2,819,090	(72,591)
I-70 and Armstrong TIF	147,925	144,168	153,990	(9,822)	149,000	160,304	(11,304)
Melrose TIF	265,021	243,524	275,887	(32,363)	245,500	287,198	(41,698)
Strawberry Hill TIF	25,992	26,562	27,058	(496)	25,500	28,167	(2,667)
MissionCliffs/RainbowPark TIF	58,491	65,879	60,889	4,990	69,980	63,386	6,594
St Peters Waterway TIF	147,211	157,331	153,247	4,085	162,283	159,530	2,753
Mt. Carmel TIF	-	-	-	-	-	-	-
NE Armourdale TIF	-	-	-	-	-	-	-
Turtle Hill Redevelopment TIF	8,977	6,277	9,345	(3,068)	6,217	9,728	(3,512)
All America City TIF (Per Flc)	18,926	15,141	19,702	(4,561)	15,974	20,510	(4,536)
Adams Street TIF	-	-	-	-	-	-	-
Mission Cliff's (A) TIF	132,965	167,503	138,417	29,086	176,733	144,092	32,641
Prescott Plaza TIF	1,040,376	967,106	1,083,031	(115,925)	1,047,231	1,127,436	(80,205)
East Parallel TIF	1,423	-	1,482	(1,482)	-	1,543	(1,543)
Metropolitan Avenue TIF	166,992	201,354	173,839	27,515	217,252	180,966	36,285
Walmart TIF(24th/Metro)LaPlaza	587,101	560,590	611,172	(50,582)	586,430	636,230	(49,800)
Downtown Grocery Store TIF	-	11,385	-	11,385	44,400	-	44,400
Other Funds	1,506,946	1,501,833	1,568,731	(66,899)	1,594,949	1,633,049	(38,100)
Court Trustee Fund	427,352	393,145	444,874	(51,729)	435,000	463,113	(28,113)
Environment Trust	1,079,594	1,108,688	1,123,858	(15,170)	1,159,949	1,169,936	(9,987)
Sewer Enterprise Fund	36,566,895	37,363,425	38,066,138	(702,712)	39,401,700	39,626,849	(225,149)
Other Enterprise Funds	16,476,277	15,591,076	17,151,805	(1,560,729)	16,665,851	17,855,029	(1,189,178)
Public Levee	345,577	338,509	359,746	(21,237)	340,500	374,495	(33,995)
Stormwater Enterprise	3,671,890	3,653,358	3,822,437	(169,079)	3,605,000	3,979,157	(374,157)
Emergency Medical Services	11,614,616	10,781,575	12,090,816	(1,309,241)	11,812,551	12,586,539	(773,988)
Sunflower Hills Golf Fund	664,375	822,759	691,615	131,145	807,800	719,971	87,829
Stadium-Baseball	179,819	(5,125)	187,192	(192,316)	100,000	194,867	(94,867)
KCK FUNDS TOTALS:	$ 239,942,629	$ 230,999,806	$ 249,780,276	$ (18,780,470)	$ 247,716,494	$ 260,021,268	$ (12,304,774)

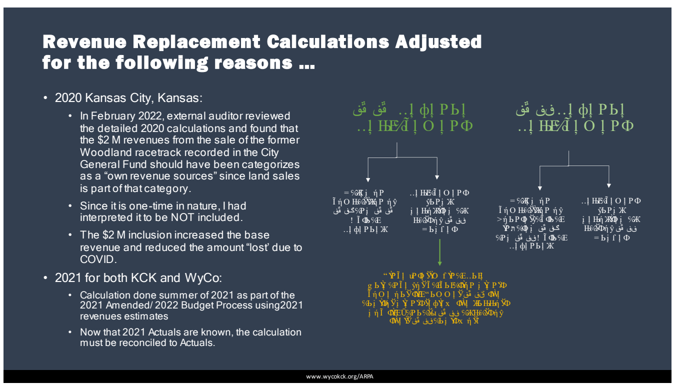
This next one, I know the numbers are kind of hard to read, but we kind of summarized it over on the side here. This is how we did our calculation. Just to show that on the original calculation for 2020, we were estimating revenue replacement at $18.7M and the estimate for 2021 was $12.3M, for a two-year total for Kansas City, KS, a little over $31M.

WYANDOTTE COUNTY, KANSAS FUNDS	2019 Actuals	2020 Actuals	2020 Counterfactual with 6.2% CPI increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Estimate	2021 Counterfactual with 6.2% CPI increase	2021 Est. COVID Revenue Loss
County General Fund	$ 64,823,303	$ 63,023,322	$ 68,908,995	$ (5,885,673)	$ 69,224,049	$ 73,250,731	$ (4,026,683)
Parks General Fund	2,705,905	2,670,262	2,873,671	(203,409)	3,084,576	3,051,839	32,738
County Debt Service Fund	3,802,838	3,753,572	4,038,614	(285,042)	4,058,767	4,289,008	(230,241)
County Tax Levy Funds	6,639,995	6,771,302	7,051,674	(280,372)	7,284,290	7,488,878	(204,588)
Elections	1,288,308	1,330,327	1,368,183	(37,857)	1,446,194	1,453,011	(6,817)
Aging	1,518,459	1,543,506	1,612,603	(69,097)	1,666,670	1,712,584	(45,914)
Mental Health	616,651	632,307	654,883	(22,576)	671,943	695,486	(23,543)
Developmental Disability	540,932	560,007	574,470	(14,462)	588,261	610,087	(21,825)
Health Department	2,675,645	2,705,155	2,841,535	(136,380)	2,911,222	3,017,710	(106,489)
Special Revenue Funds	4,356,223	4,563,277	4,559,662	3,615	4,831,661	4,772,982	58,679
County - Library	3,173,652	3,295,398	3,303,772	(8,373)	3,498,661	3,439,226	59,435
Jail Commissary Fund	50,675	36,480	53,817	(17,337)	45,000	57,154	(12,154)
Register of Deeds Tech Fund	172,646	200,294	183,350	16,944	220,000	194,718	25,282
Clerk's Technology Fund	43,127	50,074	45,801	4,273	55,000	48,641	6,359
Treasurer's Technology Fund	43,127	50,074	45,801	4,273	55,000	48,641	6,359
Wyandotte County 911 Fund	833,178	895,766	884,835	10,931	920,000	939,694	(19,694)
Special Parks and Recreation-Cour	18,685	18,104	19,843	(1,739)	19,000	21,074	(2,074)
Special Alcohol Program-County	21,133	17,089	22,444	(5,355)	19,000	23,835	(4,835)
WYCO FUNDS TOTALS:	$ 82,328,264	$ 80,781,736	$ 87,432,616	$ (6,650,880)	$ 88,483,343	$ 92,853,438	$ (4,370,095)

For Wyandotte County, the two-year calculation for—for 2020 was $6.6M and the 2021 estimate was $4.3M, for a total of $11.02M over the two years.



This is just showing how—some of you may have seen this graph before. This was showing how we split it among all the different funds for the revenue loss for both 2020 and 2021. The totals under each match the amounts that I showed you on the previous slides.



Now we want to talk about the adjustments that were made. We did have one adjustment on the city side for 2020. That was due to the fact that when the calculation was done with all the revenues, there was a one-time revenue, it was $2M for the sale of the former Woodlands Race Track that should have been included in the City General Fund. Because it was a one-time revenue, we interpreted it as not to have needed to be counted. Our external auditors looked at it and determined that yes, we should have counted that, so we are making an adjustment for that $2M on the city side for that adjustment.

For both the city and the county, now that we have 2021 actuals, we are making the adjustments for the estimates for the 2022 budget for the loss revenue for 2021.

KANSAS CITY, KANSAS FUNDS	2019 Actuals	2020 Actuals	2020 Counterfactual with 4.1% CPI increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Actuals	2021 Counterfactual with 4.1% CPI increase	2021 COVID Revenue Loss
City General Fund	$ 136,642,839	$ 132,586,972	$142,245,195	$ (9,658,223)	$ 142,940,418	$ 148,077,248	$ (5,136,830)
Special Revenue Funds	22,756,420	20,857,395	23,689,433	(2,832,038)	23,974,249	24,660,700	(686,451)
Dedicated Sales Tax	10,604,121	10,563,372	11,038,890	(475,518)	12,258,732	11,491,485	767,247
Special Street & Hiway-City	7,366,968	7,067,916	7,669,013	(601,097)	7,459,279	7,983,443	(524,164)
Special Parks and Recreation-C	552,242	382,944	574,884	(191,940)	475,980	598,454	(122,474)
Special Alcohol Program-City	549,485	382,499	572,014	(189,514)	475,960	595,466	(119,506)
Tourism & Convention Prom	3,683,604	2,460,663	3,834,632	(1,373,969)	3,304,298	3,991,852	(687,554)
Specials Assets	-	-	-	-	-	-	-
City Debt Service Fund	23,391,849	22,566,780	24,350,915	(1,784,136)	24,407,227	25,349,303	(942,076)
TIF Funds	2,601,402	2,566,821	2,708,059	(141,238)	2,539,441	2,819,090	(279,649)
I-70 and Armstrong TIF	147,925	144,168	153,990	(9,822)	148,332	160,304	(11,972)
Melrose TIF	265,021	243,524	275,887	(32,363)	254,438	287,198	(32,760)
Strawberry Hill TIF	25,992	26,562	27,058	(496)	39,582	28,167	11,414
MissionCliffs/RainbowPark TIF	58,491	65,879	60,889	4,990	43,144	63,386	(20,241)
St Peters Waterway TIF	147,211	157,331	153,247	4,085	215,094	159,530	55,565
Mt. Carmel TIF	-	-	-	-	-	-	-
NE Armourdale TIF	-	-	-	-	-	-	-
Turtle Hill Redevelopment TIF	8,977	6,277	9,345	(3,068)	9,096	9,728	(633)
All America City TIF (Per Flc)	18,926	15,141	19,702	(4,561)	17,945	20,510	(2,565)
Adams Street TIF	-	-	-	-	-	-	-
Mission Cliff's (A) TIF	132,965	167,503	138,417	29,086	182,321	144,092	38,229
Prescott Plaza TIF	1,040,376	967,106	1,083,031	(115,925)	781,664	1,127,436	(345,772)
East Parallel TIF	1,423	-	1,482	(1,482)	-	1,543	(1,543)
Metropolitan Avenue TIF	166,992	201,354	173,839	27,515	264,056	180,966	83,089
Walmart TIF(24th/Metro)LaPlaz	587,101	560,590	611,172	(50,582)	539,823	636,230	(96,407)
Downtown Grocery Store TIF	-	11,385	-	11,385	43,945	-	43,945
Other Funds	1,506,946	1,501,833	1,568,731	(66,899)	1,607,210	1,633,049	(25,839)
Court Trustee Fund	427,352	393,145	444,874	(51,729)	477,009	463,113	13,896
Environment Trust	1,079,594	1,108,688	1,123,858	(15,170)	1,130,201	1,169,936	(39,734)
Sewer Enterprise Fund	36,566,895	37,363,425	38,066,138	(702,712)	42,145,949	39,626,849	2,519,100
Other Enterprise Funds	16,476,277	15,591,076	17,151,805	(1,560,729)	17,362,852	17,855,029	(492,177)
Public Levee	345,577	338,509	359,746	(21,237)	335,512	374,495	(38,983)
Stormwater Enterprise	3,671,890	3,653,358	3,822,437	(169,079)	3,690,261	3,979,157	(288,896)
Emergency Medical Services	11,614,616	10,781,575	12,090,816	(1,309,241)	12,271,057	12,586,539	(315,482)
Sunflower Hills Golf Fund	664,375	822,759	691,615	131,145	978,525	719,971	258,554
Stadium-Baseball	179,819	(5,125)	187,192	(192,316)	87,497	194,867	(107,370)
KCK FUNDS TOTALS:	$ 239,942,629	$ 233,034,302	$249,780,276	$ (16,745,974)	$ 254,977,346	$ 260,021,268	$ (5,043,922)

ADJUSTED CALCS

wycokck.org/ARPA 10

These next few tables just show the same information you saw before, but now they've been adjusted for 2021. For Kansas City, KS, you will see in 2020, the previous amount was $18.7M. We dropped that to $16.7M. For 2021, the previous amount was $12.3M. Now we're dropping that to a little over $5M, for a two-year total of $21.7M on the city side.

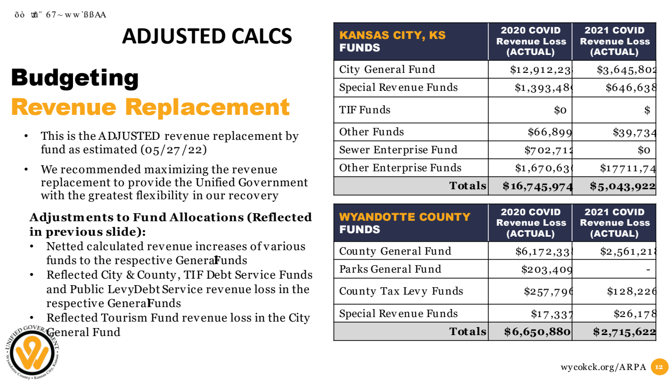
ADJUSTED CALCS

WYANDOTTE COUNTY, KANSAS FUNDS	2019 Actuals	2020 Actuals	2020 Counterfactual with 6.2% CPI increase from 2019 Actuals	2020 COVID Revenue Loss	2021 Actuals	2021 Counterfactual with 6.2% CPI increase	2021 COVID Revenue Loss
County General Fund	$ 64,823,303	$ 63,023,322	$ 68,908,995	$ (5,885,673)	$ 70,140,395	$ 73,250,731	$ (3,110,336)
Parks General Fund	2,705,905	2,670,262	2,873,671	(203,409)	3,127,440	3,051,839	75,601
Debt Service Funds	3,802,838	3,753,572	4,038,614	(285,042)	4,093,318	4,289,008	(195,690)
County Tax Levy Funds	6,639,995	6,771,302	7,051,674	(280,372)	7,856,728	7,488,878	367,850
Elections	1,288,308	1,330,327	1,368,183	(37,857)	1,416,002	1,453,011	(37,009)
Aging	1,518,459	1,543,506	1,612,603	(69,097)	1,661,579	1,712,584	(51,006)
Mental Health	616,651	632,307	654,883	(22,576)	687,801	695,486	(7,686)
Developmental Disability	540,932	560,007	574,470	(14,462)	569,876	610,087	(40,211)
Health Department	2,675,645	2,705,155	2,841,535	(136,380)	3,521,471	3,017,710	503,761
Special Revenue Funds	4,356,223	4,563,277	4,559,662	3,615	4,919,935	4,772,982	146,953
County - Library	3,173,652	3,295,398	3,303,772	(8,373)	3,529,295	3,439,226	90,069
Jail Commissary Fund	50,675	36,480	53,817	(17,337)	65,450	57,154	8,296
Register of Deeds Tech Fund	172,646	200,294	183,350	16,944	247,636	194,718	52,918
Clerk's Technology Fund	43,127	50,074	45,801	4,273	61,909	48,641	13,268
Treasurer's Technology Fund	43,127	50,074	45,801	4,273	61,909	48,641	13,268
Wyandotte County 911 Fund	833,178	895,766	884,835	10,931	913,516	939,694	(26,178)
Special Parks and Recreation-C	18,685	18,104	19,843	(1,739)	23,257	21,074	2,183
Special Alcohol Program-Count	21,133	17,089	22,444	(5,355)	16,963	23,835	(6,872)
WYCO FUNDS TOTALS:	$ 82,328,264	$ 80,781,736	$ 87,432,616	$ (6,650,880)	$ 90,137,816	$ 92,853,438	$ (2,715,622)

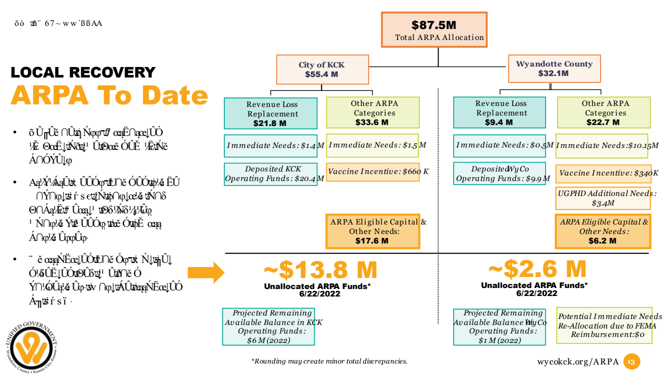
wycokck.org/ARPA 11

For Wyandotte County, there is no adjustment for 2020, so that amount remains at $6.6M. For 2021, the previous amount was $4.3M and now that has dropped to $2.7M, for a two-year total of $9.3M.

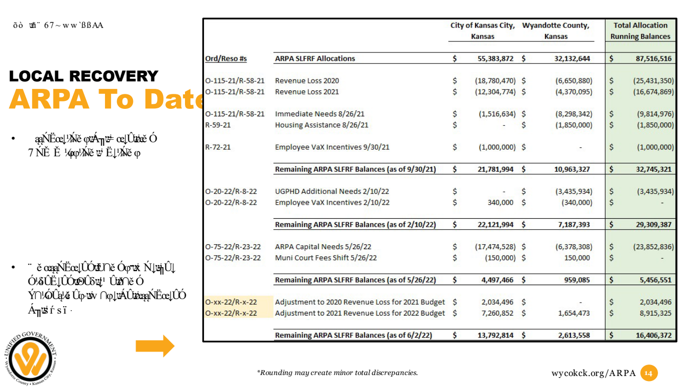
I did just want to note that as we make these revenue adjustments, that money that now is not being used for revenue loss replacement will go into the remain—be included with the remaining ARPA funds that will be available to be distributed by the ARPA Subcommittee.



This just shows the new breakdown of funds for both Kansas City, KS, and Wyandotte County, based on the new estimates, new calculations that we've done.



This, once again, is showing the total. This is similar to the first slide that you saw, just showing the breakdown, the new amounts for revenue loss replacement. We've also included some of the other items that have been approved for use. On the city's side, there's still about $13.8M in unallocated ARPA funds. On the county side, there's $2.6M unallocated. I do want to note that these funds must be allocated by the year 2024.



The last slide that I have here is just showing the ordinance and resolution for the revenue as well as some of the expenditures that have been approved by the Commission. I also did want to note in your packet I think lists the resolution. It did include a sheet of the calculations that does show the changes to the revenue for that calculation. That's included with the resolution.

That's all I have. I'll stand for any questions.

Chairman Burroughs asked, any questions? Thank you, Debbie.

Commissioner Davis said, Debbie, I'm looking through this and maybe I missed it. I see the adjustments for KCK for 2020, KCK for 2021, then I see the adjustments for the county, I believe, for 2021. Was there an adjustment made for 2020 for the county? **Ms. Jonscher** said no. That number stayed the same. The only reason we adjusted, we found the one, one-time revenue on the city side that we did not include that should have been included. That's why there was an adjustment made, but there was no adjustment made for the 2021 loss revenue for the county.

Commissioner Davis said okay because I am looking at—are you saying 2020, because I am looking at an adjustment for 2021. **Ms. Jonscher** said right. It's the 2021 revenue replacement that would be included in the 2022 budget. The 2020 loss revenue was included in the 2021 budget, and then the 2021 loss revenue was included in the 2022 budget.

Commissioner Davis said gotcha. So just for clarity, in the year 2020 when we claimed revenue replacement, now with the final rule with guidance from the Treasury Department, there were no adjustments that need to be made on the county side for revenue replacement for year 2020. **Ms. Jonscher** said that's correct. **Commissioner Davis** said okay.

Chairman Burroughs said well if this shows anything, there's $10M of additional revenue that looks like will be going into the 2023 budget process.

Debbie, I appreciate you walking through these numbers. I had a chance to review these in great length today. Before I get to my questions, I wanted to acknowledge that there was a number presented on the adjusted calcs. It's the 2021 revenue loss on Other Enterprise funds. I think there's an additional number in there that makes that about $17M versus $1.7M. **Ms. Jonscher** asked, was that on the city or the county?

Chairman Burroughs said it would be on the city side. It just says—it was on your slide, the revenue replacement slide, just above the $5M total number. I don't have a page number on here. It's towards the back, next two or three pages from the back. I think there's an extra number in that calculation versus a comma. **Ms. Jonscher** said oh, I see on the Other Enterprise where it says $17M, $711M, yeah. I think that is…**Chairman Burroughs** said I only share that with you because I want you to know that I did look over your information. **Ms. Jonscher** said I will get that corrected. **Chairman Burroughs** said thank you so very much.

Commissioner Townsend said I want to ask you to go back to two of the later slides that you showed. I think one of the slides mentions the $6M adjustment and the other was $2-$3M. I'd know it if I saw the slide again. **Ms. Jonscher** said I'll go backwards. Just stop me—or forward. Just stop me when you see the slide. **Commissioner Townsend** said I can't see it from that viewpoint of my screen right now. Not that one. Keep going. I think we've gone too far.

Let me just ask it from this slide. $13.8M is the amount of ARPA money for the city to be allocated. **Ms. Jonscher** said that's correct. That's currently unallocated. **Commissioner Townsend** said right, right, to be allocated. Does that number, the $13.8M, include the $6. something million that was representative of the ARPA reduction or the final number of the…**Ms. Jonscher** said based on the revenue calculation…**Commissioner Townsend** said replacement, right. **Ms. Jonscher** said yes, because on this graph, we've now changed the—on the city side, we changed the revenue loss replacement. It was previously $31M down to $21.8M. The same on the county. It was previously $11M and now we dropped it to $9.4M. The $13.8M would include those numbers.

Commissioner Townsend said okay. Then my question would be the same on the city side. $2.6M. This is the amount of money after the revenue loss adjustment that remains to be allocated. **Ms. Jonscher** said that's correct. **Commissioner Townsend** said okay. There is no more. It's $13.8M on the city and its $2.6M on the county side. Correct? **Ms. Jonscher** said correct. **Commissioner Townsend** said all right. That's it then. Thank you.

Chairman Burroughs said that's $16M to the Consolidated General Fund for ARPA funding. **Ms. Jonscher** said pardon me. What was the question? **Chairman Burroughs** said it was more of a statement. That's really $16M Consolidated General Fund money of new ARPA funds. **Ms.**

Jonscher said well, the ARPA funds actually—the revenue replacement money is in the General Fund and the other funds, but the money that's being allocated by the subcommittee is actually in a grant fund. So, the revenue loss that adjustments that we've made, that funding will be moved to the grant funding. **Chairman Burroughs** said additional dollars.

Chairman Burroughs asked, any questions, comments? Seeing none, this is an actionable item so I would ask, Clerk, was there any comments received from the public? **Ms. Sparks** said no comments were received. **Chairman Burroughs** asked, is there anyone in the audience that wishes to speak in reference to this issue? Seeing none, I would now entertain a motion.

Action: Commissioner Davis made a motion, seconded by Commissioner McKiernan, to approve.

Chairman Burroughs said we do have a motion and a second. I'd ask the Clerk to please call roll.

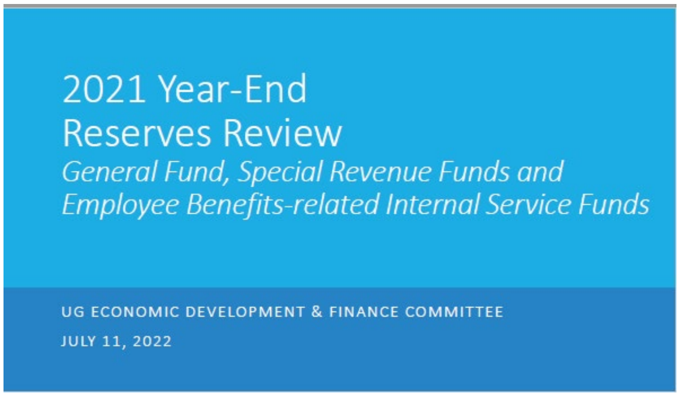
Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Chairman Burroughs said, Debbie, thank you for that overview and good news. There's a little bit more ARPA money to be had so we appreciate that.

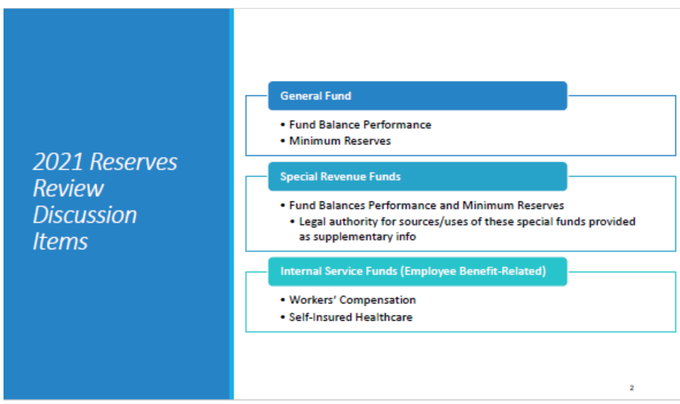
Item No. 4 – 211744…PRESENTATION: GENERAL FUND & SPECIAL REVENUE FUNDS 2021 RESERVES REVIEW

Synopsis: A presentation to review the 2021 Year-End Fund Balance and Reserves for the General Fund and Special Revenue Funds, submitted by Debbie Jonscher, Deputy Chief Financial Officer.

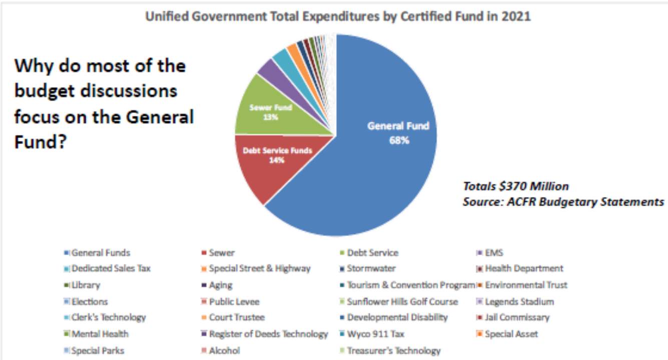
Chairman Burroughs said this is our very first non-actionable item. This is for information only. Ms. Jonscher, I believe this is your item as well.



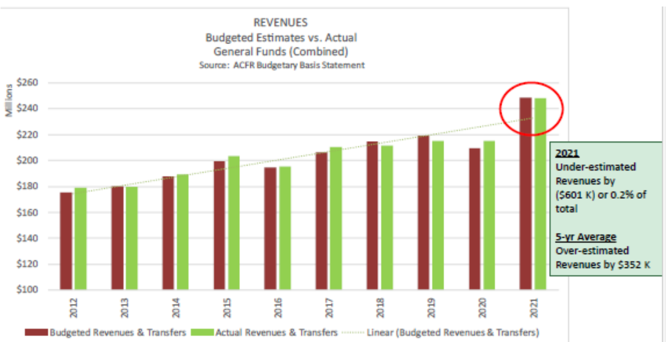
Debbie Jonscher, Deputy Chief Financial Officer, said every year we provide a year-end review of the reserves in all of our different fund balances. We're going to show you what the reserve balances are in all of the General Fund, Special Revenue Funds, and a look at our Internal Service Funds.



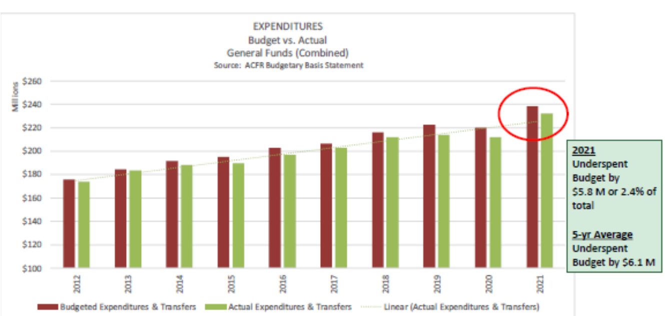
We'll start out with just a review of the items that we're going to discuss. We'll be talking about the General Fund, as I said, the Special Revenue Funds, and we've also included as information in the slide the legal authority for some of the sources and uses for the special funds that are provided as supplementary information. Then we have two Internal Service funds that we will also review.



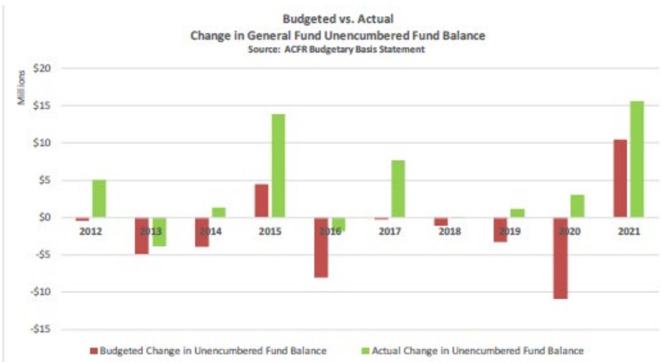
This next slide is just maybe to talk about why do we focus on the General Fund. This graph is just to show that we have—the General Fund is 68% of the total Certified Funds for 2021. I've got all the different funds that we certify listed below that total $370M.



This next slide just shows the revenues, the budget estimates versus actual for the last 10 years, going back to 2012. You can see the dark line is the budgeted revenues and the green line is the actual revenues. I just wanted to note that for 2021, we underestimated revenues by about $601K or .2% of the total. The five-year average, for the five-year average, we overestimated revenues by about $352K.



On the next slide, it just shows expenditures also budget to actual for the General Funds. Once again, the dark line is the budget and the lighter line is the actuals just showing where we've been over the last 10 years. For 2021, we underspent budget by about $5.8M or 2.4% of the total. Over the five-year average, we've underspent the budget by about $6.1M.



The next slide just shows the change in General Fund unencumbered fund balance. Same information here. As you can see, a lot of times when we budget, our change in fund balance shows a drop in fund balance. But when we get to the actuals, over at least the last three years, the fund balance has been a positive number for the General Funds. We have had a couple of years, if you look at 2013, 2016, where we budgeted our change in fund balance to be negative and we did end slightly negative. In 2019, we budgeted a negative fund balance, but we did actually end with a positive fund balance.

Chairman Burroughs said, Debbie, if I may. With that comment being made, the fact that we have underspent the budget by $6.1M by average, what services—does that include not paying bonded indebtedness and maybe carrying it over, or is that just cutting back on services or not paying bills for a fiscal year to carry it into the next fiscal year, or is it a combination of all of the above?

Ms. Jonscher said no, we've never—it wouldn't include debt service. We've never underpaid our debt service. We've always paid the debt service bills. Most of the Debt Service Fund is actually in a different fund so it's not accounted for here. There's very little debt service in the General Fund. It could be that we maybe had capital that was budgeted and maybe there was a delay in the reason why it was—maybe the project didn't move forward. There could be some services that maybe we didn't spend. Maybe there was a delay in a project and that also created—we didn't do a contractual service. It could be a number of things. Personnel, if we had vacant positions that were budgeted and didn't get spent, that also accounts for the savings.

Chairman Burroughs said great. Thank you. It could also be COVID related, the fact that we didn't spend money to the extent we could have during COVID time when supply chain issues as well as personnel issues were affected by the pandemic. **Ms. Jonscher** said right. That's correct. **Chairman Burroughs** said thank you. Just clarification.

General Fund Reserves

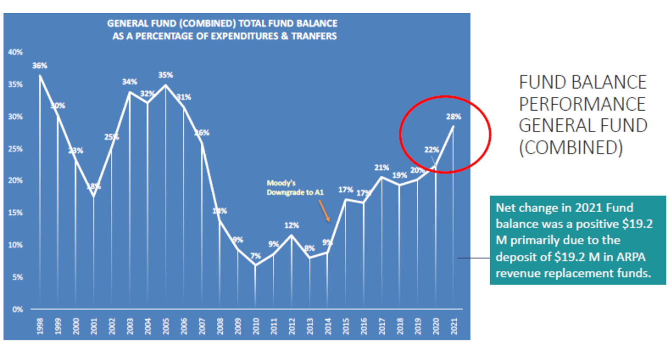
INCREASED 2021 YEAR-END BY $19.2 MILLION

Combined General Fund Reserves ($ in millions)		Reserves
2020 Ending Fund Balance - Reserves	$	45.7
2021 Change in Fund Balance (net operating margin)	$	19.2
2021 Ending Fund Balance - Reserves	$	64.9
% of 2021 Expenditures and Transfers-Out		28.4%

- 2021 Year-End Reserves at 3.4 months of spending.
- 2-months of spending or 17% equals to $38 million.
- Remaining reserve balance for "emergencies" totals $26.9 million.
- As of end of 2021, we are $7.8 million over 3-month reserve target.

This just is more of a review, I think, of our General Fund reserves. The 2020 year-end increased by $19.2M. I will note that, I believe, some of that was, or a lot of that was related to ARPA funding. I'll just note that our 2020 ending fund balance reserve was $45.7M. The 2021 change of $19.2M gives us an ending fund balance in reserves of $64.9M. That percentage for 2021 for expenditures is 28.4%.

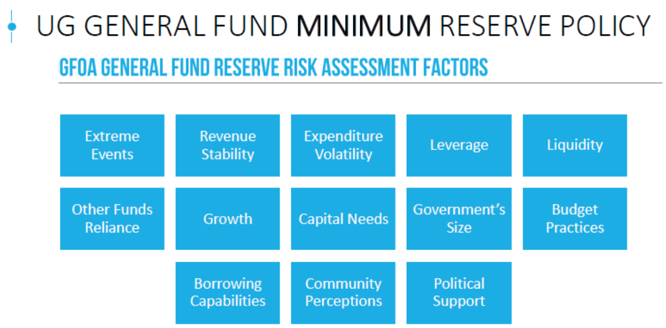
As you will note in our fund balance policy, a two-month spending is 17%, which would equal $38M. So, the remaining reserve balance for emergencies totals $26.9M. At the end of 2021, we're about $7.8M over the three-month reserve target.



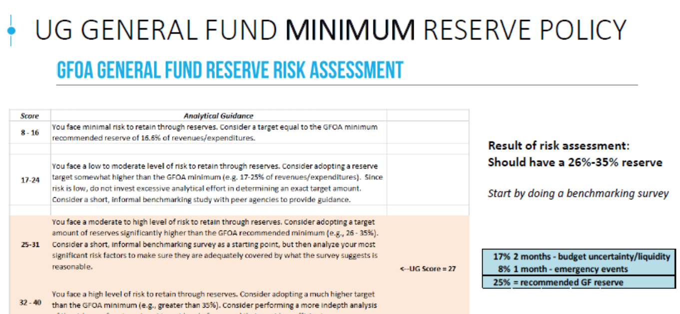
2021 Actuals has fund balance at 28% of total General Fund (Combined) expenditures and transfers out.

This next slide just shows our percentage of fund balance going all the way back to basically consolidation showing we started out at 36%. We had a drop in the early 2000s. Went back up before it started declining in the recession of 2008/2009, and then we have slowly been building it back up. We are, for 2021, our fund balance percentage is at 28%.

I will just note, we did have a note there that the balance was positive, 19.2%, primarily due to the ARPA revenue replacement funds.



The next slide just shows some information about the minimum reserve policy. These are some of the GFOA General Fund revenue risk assessment factors; things that can affect the reserves: extreme events, liquidity, growth, capital needs, just a whole bunch of stuff that's identified by GFOA.


UG GENERAL FUND MINIMUM RESERVE POLICY

GFOA GENERAL FUND RESERVE RISK ASSESSMENT

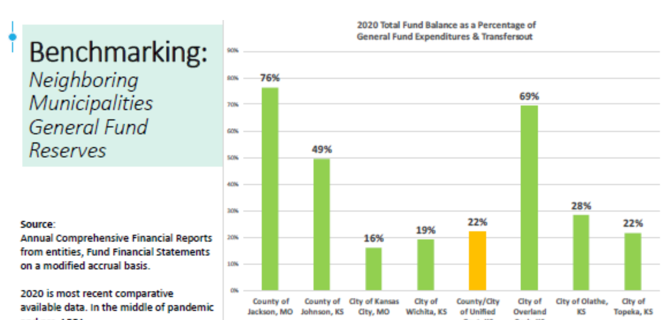
Score	Analytical Guidance	
8 - 16	You face minimal risk to retain through reserves. Consider a target equal to the GFOA minimum recommended reserve of 16.6% of revenues/expenditures.	
17-24	You face a low to moderate level of risk to retain through reserves. Consider adopting a reserve target somewhat higher than the GFOA minimum (e.g. 17-25% of revenues/expenditures). Since risk is low, do not invest excessive analytical effort in determining an exact target amount. Consider a short, informal benchmarking study with peer agencies to provide guidance.	
25-31	You face a moderate to high level of risk to retain through reserves. Consider adopting a target amount of reserves significantly higher than the GFOA recommended minimum (e.g., 26 - 35%). Consider a short, informal benchmarking survey as a starting point, but then analyze your most significant risk factors to make sure they are adequately covered by what the survey suggests is reasonable.	<--UG Score = 27
32 - 40	You face a high level of risk to retain through reserves. Consider adopting a much higher target than the GFOA minimum (e.g., greater than 35%). Consider performing a more indepth analysis of the risks you face to arrive at target level of reserved that provides sufficient coverage.	

Result of risk assessment:
Should have a 26%-35% reserve

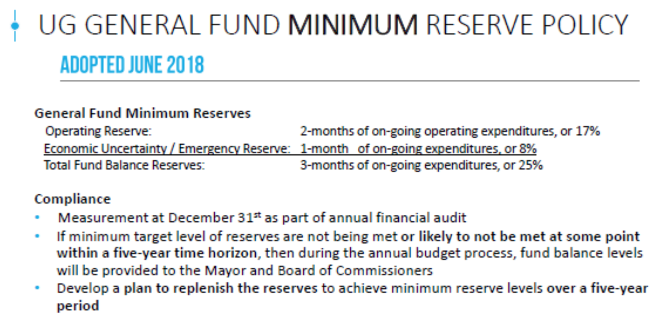
Start by doing a benchmarking survey

17%	2 months - budget uncertainty/liquidity
8%	1 month - emergency events
25%	= recommended GF reserve

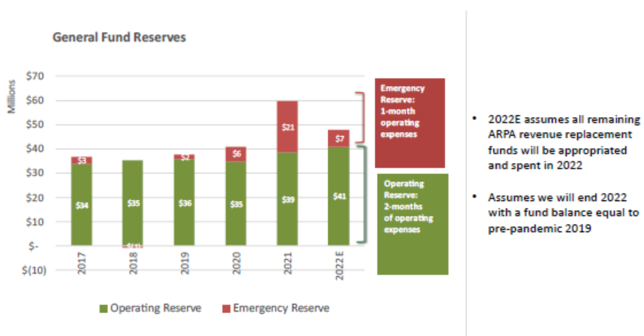
The next one are just more risk assessments, just noting that in the box over there on the right-hand side, showing that 17% is two months reserves and another 8% is an extra one month. The recommended General Fund reserve is 25%.



The next slide, just some benchmarking information. This is just showing neighboring municipalities' General Fund reserves. This was based on 2020 fund balance. That was the latest information that was available for all of our neighboring communities. So, as you can see, we're at—we were at 22% in 2020 related to some of our other municipalities.



This next slide is just more information basically on the three-month, the two and three-month reserves. I'll just note some of the notes under compliance. It's measured at December 31st as part of the financial audit. If a minimum target of reserves is not being met or likely to not be met at some point within the five-year horizon, then during the budget process, fund balance levels could be increased either by the Mayor and the Board of Commissioners. It's recommended that you develop a plan to replenish the reserves to achieve the minimum reserves over a five-year period.



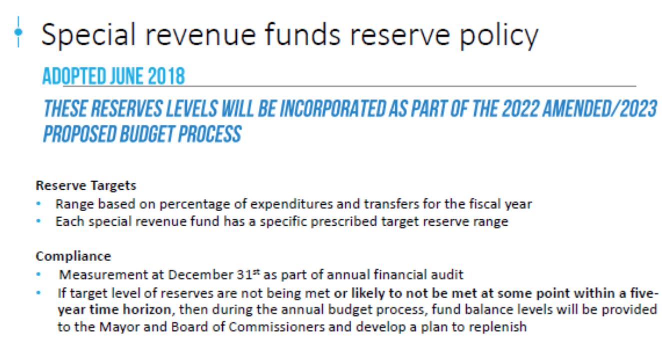
The next one is just some more information on General Fund reserves. I won't spend too much time. Just showing our 2021 and then we have an estimate for 2022. 2022 estimate, it seems that all ARPA revenue replacement funds would be appropriated and spent in 2022. It also assumes that we would end 2022 with a fund balance equal to the pre-pandemic 2019 fiscal year.

Chairman Burroughs said, Debbie, if I may. Thank you for that. I do want to draw attention to the committee that that's an assumption that those funds will be spent in 2022. We may choose not to do that. I just want to bring that to the attention that we're sitting at over 25% in reserves. Due to the ARPA funding, the $19.2M being part of that, we are not in a position at this time to state that we are going to spend those monies in 2022. We'll go through the ARPA grant process as well as the budget process.

Ms. Jonscher said right. We do have additional time. I think just for this graph, we made that assumption, but we do have the additional years. So, 2024, I think, we have to have all of the funds allocated. **Chairman Burroughs** said so we do have a couple of years. **Ms. Jonscher** said right.

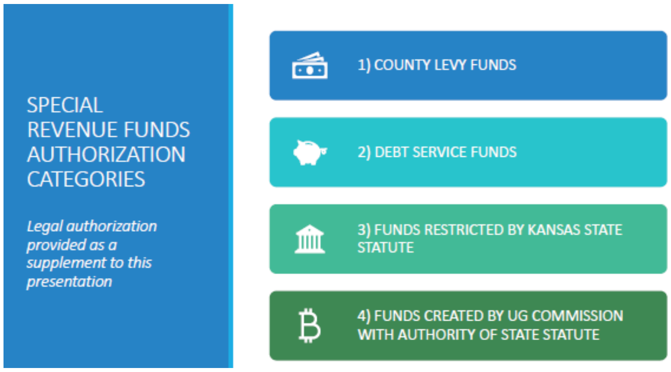
Chairman Burroughs said we do know that we have many needs so I would hope that we would give serious discussions as to how we're going to spend the remaining amount of ARPA funds to get the best return on investment for our community.

Thank you, Debbie. I didn't mean to stop you at that point, I just wanted to bring that clarification to light. **Ms. Jonscher** said no, it's actually a good breaking point because now we're going to move on to the Special Revenue Funds. We've just got some points here for the reserve policy.

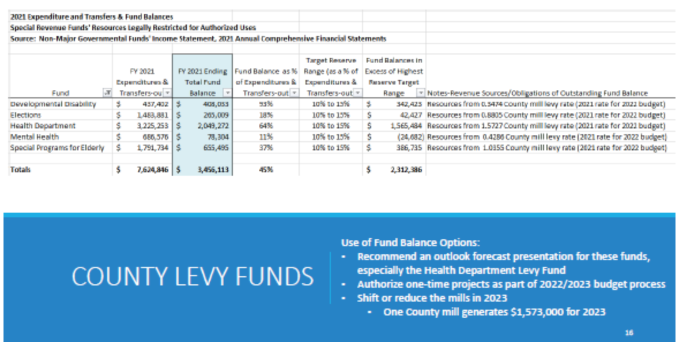


Reserve targets. Our ranges are based on percentage of expenditures and transfers for the fiscal year. Each special revenue fund has a specific target reserve range. In the next couple of slides, when I show you the special revenue funds, we'll have those percentages listed.

Same compliance as measured as of December 31st as part of the audit. If it drops below the target, then at some point within the five years, during the budget process, we could build those revenue levels back up.



The special revenue categories, we have four sections here that I'm going to talk about: the County Levy funds, the Debt Service funds, funds that are restricted by state statute, and then funds that are created by the UG Commission with authority of state statute.



2021 Expenditure and Transfers & Fund Balances
Special Revenue Funds' Resources Legally Restricted for Authorized Uses
Source: Non-Major Governmental Funds' Income Statement, 2021 Annual Comprehensive Financial Statements

Fund	FY 2021 Expenditures & Transfers-out	FY 2021 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources/Obligations of Outstanding Fund Balance
Developmental Disability	$ 437,402	$ 408,053	93%	10% to 15%	$ 342,423	Resources from 0.3474 County mill levy rate (2021 rate for 2022 budget)
Elections	$ 1,483,881	$ 265,009	18%	10% to 15%	$ 42,427	Resources from 0.8805 County mill levy rate (2021 rate for 2022 budget)
Health Department	$ 3,225,253	$ 2,049,272	64%	10% to 15%	$ 1,565,484	Resources from 1.5727 County mill levy rate (2021 rate for 2022 budget)
Mental Health	$ 686,576	$ 78,304	11%	10% to 15%	$ (24,682)	Resources from 0.4286 County mill levy rate (2021 rate for 2022 budget)
Special Programs for Elderly	$ 1,791,734	$ 655,495	37%	10% to 15%	$ 386,735	Resources from 1.0355 County mill levy rate (2021 rate for 2022 budget)
Totals	**$ 7,624,846**	**$ 3,456,113**	**45%**		**$ 2,312,386**	

This first one is talking about the county levy funds. We've got five funds listed here. On each of these slides, I'm going to show—the first column is going to be the fiscal 2021 expenditures and transfers, and then the highlighted column is the 2021 ending total fund balance. We've listed out the fund balance percentages based on the 2021 ending balance, what the targets are, and then the fund balance in excess of the reserve targets.

I will just note with developmental disabilities, you can see their percentage is at 93%. I did want to note that they do also have a grant fund and they typically spend their funding out of the grant fund first before moving to this fund.

Health Department does have a capital project for 2023 of about $1M that we'll probably use up some of their, spend down some of their fund balance.

Chairman Burroughs said if I may, Debbie. When I first came aboard as a commissioner, these were funds I had identified as having surplus. In light of the mandated amount of revenue, the 10-

15% expenditures oust, but the fund balance expenditures are in excess of the 5% and 10%, I think, we have in policy.

To see both the percentage as well as the dollar amount, gives us an idea how much money is sitting idle and that's what it is, it's sitting idle in those funds. So, either we're not providing services or we're holding out for a project.

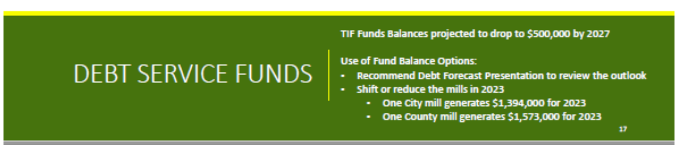
My concern in the past was, some of these mills didn't even cover the cost of services, so the mils needed to be revisited to ensure that they were providing enough money for the services provided; and those that were taking in too much money, should be lowered so that we tried to be as revenue neutral as we possibly can with these services, but still meet the 5-10% revenue reserve that was required.

I believe we brought that forward, I think, my first year here. I remember there was a substantial amount of money in those reserves for quite a while, but I see we're spending them down, as we should, and getting them more under control.

Ms. Jonscher said right, and that is still an option if we determine because they are levy funds, under the county mill levy. If we determine that we wanted to shift part of the levy to another fund that maybe needed additional funding, that's an option for the Commission. **Chairman Burroughs** said thank you.

2021 Expenditure and Transfers & Fund Balances
Special Revenue Funds' Resources Legally Restricted for Authorized Uses
Source: Non-Major Governmental Funds' Income Statement, 2021 Annual Comprehensive Financial Statements

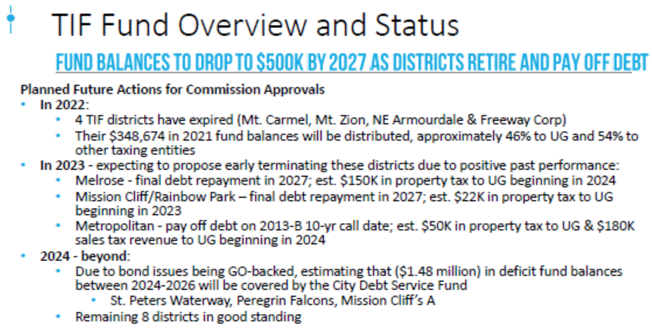
Fund	FY 2021 Expenditures & Transfers-out	FY 2021 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources/Obligations of Outstanding Fund Balance
City Bond & Interest Fund	$ 23,048,155	$ 4,676,001	20%	5% to 10%	$ 2,371,183	Resources from 17.0429 City property mill levy rate; 100% restricted for debt service payments
County Bond & Interest Fund	$ 5,678,073	$ 2,194,651	39%	5% to 10%	$ 1,626,843	Resources from 2.2208 County property mill levy rate; 100% restricted for debt service payments
TIF Debt Service Funds	$ 1,846,614	$ 5,504,627	298%	5% to 10%	$ 3,315,565	100% restricted for debt service payments
Totals	$ 30,572,842	$ 12,375,278	40%		$ 9,312,994	



Ms. Jonscher said the next set of funds are the Debt Service funds. We have the City Bond & Interest Fund, the County Bond & Interest, and then we separated out the TIF Debt Service funds. I do have some additional TIF information on the next slide.

But, as you can see here, the same information is provided. For the city, the fund balance percentage is at 20% and on the county, it's at 39%, and we have the amounts listed over there. The fund balance on the TIF funds is at 298%.

I will just note that the balance in these funds is 100% restricted for debt service. All of these would have been TIF projects that had debt issued on them, so the increment that's captured goes directly to pay the debt service on those projects.



I've got a couple of slides here just to note for the TIF funds. In 2022, we had four TIF districts that expired. They have fund balances and those amounts are going to be redistributed back to the taxing entities. Approximately 46% of the amount will go to the Unified Government, city and county, and then the other 54% goes back to the other taxing entities.

We also are proposing early termination of a couple of districts in 2023, however, we'll be monitoring those to ensure that there's no additional development. I believe Metropolitan is one that may be paying—some of the TIF that they've earned, if they perform better than projected, they may pay their debt service off early, however, we keep that money in the fund because it's included with our larger bond issue. You can't just pay off one project at a time. You have to wait for the call date when you can pay off an entire bond issue or refinance, and then pay down at that point. If some of these are in the bond issue that can't be called, then we just retain the balance and it's used to pay that debt service as it comes due.

I guess we also are looking—got a couple of issues that we're kind of monitoring for 2024 that look like they might have deficit fund balances, so we'll be watching those. If they don't perform, then the debt service payment is covered by the city debt service fund.

Chairman Burroughs said, Debbie, if I may. What would cause the performance not to occur? Is it lack of sales within the district of the homes and/or development? Is it devaluation…**Ms. Jonscher** said yes, it could be if a development didn't move forward, maybe they issued bonds. It could be that if—I'm not recalling if some of these—if it was a residential TIF, maybe they didn't build out the entire project or maybe the valuations didn't come in as it was originally estimated.

On a commercial project, it could be maybe something, maybe there were additional pad sites that were supposed to be developed that didn't get developed.

Chairman Burroughs asked, what action do we take, as a local government, to ensure that we do everything we can to not have to cover those GO bonds but that we get these to perform? Do we help market the vacant pad sites? Do we help bring developers in to finish out the project so that the ratepayer or the taxpayer is not paying that cost?

Ms. Jonscher said I know we monitor what's coming in and how the TIFs are performing. I think the Economic Development Department probably would work if they had undeveloped project sites. They would be the ones probably working with the developer for that. We have a couple of TIF projects that were issued as GO bonds, but we have kind of gotten away from issuing that. We really want the project to pay for itself. Usually, the incremental TIF revenues are what's covering the projects now. I'm trying to remember the last time. It could have been 2013, 2014, was the last time we might have issued a TIF project that was backed by GO.

Chairman Burroughs said, Patrick, maybe this is a question of Legal, if I may. Committee, I beg your indulgence. This is an important issue because, basically, this $1.48M in deficit spending is going to come out of our budget in 2024 unless we can find a way to turn these numbers around. Patrick, is there an avenue available that this committee could request of the Economic Development Department some kind of actions that would ensure, to the best of their ability, to address these prior to the 2024 budget?

Patrick Waters, Deputy Chief Counsel, said absolutely. I will get in touch with Economic Development and Finance and we can kind of see where this shortfall is expected and what actions might be available.

Chairman Burroughs said great. Thank you. I appreciate that. I think for the public's interest, when we don't have a development that performs, and there's three of them, the remaining eight are in good standing, whatever we can do to lower that cost out of the General Fund would be welcomed because that's services and additional amenities we can provide as a local government. Thank you, Patrick. I appreciate that.

Committee, is that all right with you that we extend that information to the Economic Development Committee and Finance? Great. Thank you. Any other comments? Seeing none. Thank you, Debbie. Please continue.

2021 Debt Service Expenditures & Fund Balances
Tax Increment Financing (TIF) Sub-Funds' Resources Legally Restricted for Authorized Uses
Source: Audited Financial Statements

TIF Sub-Fund	TIF Project Purpose	TIF Term Period	FY 2021 Debt Service Expenditures	FY 2021 Ending Total Fund Balance	Notes:
422-I-70 AND ARMSTRONG	Commercial	2010-2029	$ 89,702	$ 672,444	Est. to early terminate in 2026 with final debt repayment in 2027
423-MELROSE	Commercial	2010-2029	$ 135,285	$ 1,681,926	Est. to early terminate in 2023 with final debt repayment in 2027 (Est. $150K in property tax revenue to UG beginning in 2024)
424-STRAWBERRY HILL	Residential	2011-2030	$ 2,026	$ 80,971	Est. to early terminate in 2024 with final debt repayment in 2031
425-MISSION CLIFFS (B)	Residential	2010-2029	$ 145	$ 12,674	TIF expired. No revenues; In 2022 plan to shift FB to 445-Mission Cliff's (A)
426-MISSIONCLIFFS/RAINBOWPARK	Residential	2010-2029	$ 13,143	$ 376,975	Est. to early terminate in 2023 with final debt repayment in 2027 (Est. $22K in property tax revenue to UG beginning in 2023)
428-ST PETERS WATERWAY	Residential	2006-2025	$ 169,666	$ (681,782)	In 2025, move est. ($621,000) deficit FB to City Debt Service Fund
433-MT. CARMEL	Residential	1998-2017	$ 63,743	$ 72,699	Clock ended in 2017; Debt service ends in 2022. In 2022, distribute FB.
434-MT. ZION	Residential	2000-2019	$ -	$ 15,826	TIF terminated and debt paid-off in 2014. In 2022, distribute FB
435-NE ARMOURDALE	Commercial	2003-2022	$ -	$ 253,232	Debt paid off in 2018. In 2022, distribute FB.
436-FREEWAY CORP CNTR REDEV	Commercial	1995-2014	$ -	$ 6,917	No revenue. No debt issued. Terminated in 2014. In 2022, distribute FB
438-ALL AMERICA CITY TIF (Peregrin Falcons)	Residential	2005-2024	$ 5,833	$ (298,005)	In 2024, move est. ($389,000) deficit FB to City Debt Service Fund
444-ADAMS STREET/KANSAS AVE	Commercial	2006-2025	$ 39,000	$ 273,668	Early Terminated in 2016. Debt ends in 2025. In 2025, distribute FB.
445-MISSION CLIFF'S (A)	Residential	2006-2025	$ 159,900	$ (509,499)	In 2026, move est. ($471,000) deficit FB to City Debt Service Fund
446-PRESCOTT PLAZA	Commercial	2009-2028	$ 671,595	$ 2,103,185	Est. to early terminate in 2025 with final debt repayment in 2027
447-EAST PARALLEL	Commercial	2011-2030	$ -	$ 7,203	Leaving as is. Waiting on project plan.
448-METROPOLITAN AVENUE	Commercial	2013-2032	$ 117,775	$ 587,902	Est. to early terminate in 2023 and pay off debt on 10-yr call date (Est. $50K in property tax to UG & $180K sales tax revenue to UG beginning in 2024)
450-WALMART TIF(24TH/METRO)LAPLAZA	Commercial	2014-2033	$ 278,463	$ 865,354	Est. to early terminate in 2025. Final debt pay-off in 2027 and distribute FB.
451-DOWNTOWN GROCERY	Commercial	2020-2039	$ 100,339	$ (45,008)	Est. to early terminate in 2032 and pay off debt on 10-yr call date
452-57TH & STATE	Commercial	2017-2036	$ -	$ 27,947	Leaving as is. Waiting on project plan.
Totals			**$ 1,846,615**	**$ 5,504,629**	

The next one is just a listing of the TIF and the balances. Just kind of provided for some additional information.

2021 Expenditure and Transfers & Fund Balances
Special Revenue Funds' Resources Legally Restricted for Authorized Uses
Source: Non-Major Governmental Funds' Income Statement, 2021 Annual Comprehensive Financial Statements

Fund	FY 2021 Expenditures & Transfers-out	FY 2021 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources/Obligations of Outstanding Fund Balance
UG Clerk Technology	$ 75,403	$ 163,638	217%	5% to 10%	$ 156,098	Accumulating resources for future equipment/software acquisitions
County Treasurer Technology	$ 76,645	$ 107,874	141%	5% to 10%	$ 100,210	Accumulating resources for future equipment/software acquisitions
Register of Deeds Technology	$ 398,935	$ 166,468	42%	5% to 10%	$ 126,575	Accumulating resources for future equipment/software acquisitions
Court Trustee	$ 467,781	$ 755,248	161%	8% to 12%	$ 699,114	Resources restricted for child support enforcement activities in future years
Special Wyandotte 911	$ 709,352	$ 443,270	62%	5% to 10%	$ 372,335	Resources from a statewide 911 fee on hardwire, wireless, VoIP phones
Special Alcohol Program	$ 546,173	$ 1,118,232	205%	5% to 10%	$ 1,063,615	Resources from a portion of UG's allocation of State liquor tax sales
Special Parks & Recreation	$ 545,006	$ 322,563	59%	3% to 5%	$ 295,313	Resources from a portion of UG's allocation of State liquor tax sales
Special Street & Highway	$ 5,640,906	$ 4,415,834	78%	3% to 5%	$ 4,133,789	Resources from UG's allocation of State motor fuel taxes
Totals	**$ 8,460,201**	**$ 7,493,127**	**89%**		**$ 6,947,047**	

FUNDS RESTRICTED BY KANSAS STATUTES

Of the total Special Street & Highway fund balance, $1.83 M is encumbered

Use of Fund Balance Options:

- Have reached out to these departments informing them of these resources and inquired as to their future plans.
- Will be incorporated as part of the 2022/23 budget process

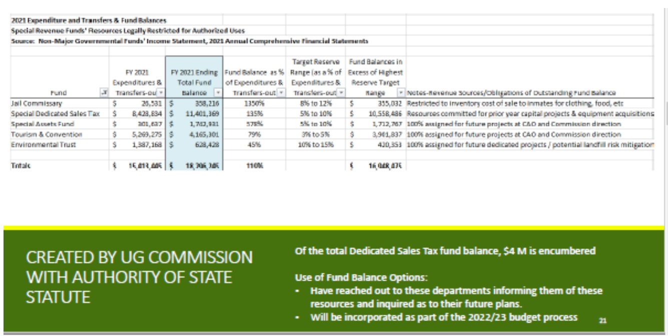
20

The next set are funds that are restricted by state statutes. You can see we've got about eight funds here that are listed. We did get some feedback from the departments on some of these if there are any questions about what's being spent on some of those. I will just note that—I know right off hand, probably Street & Highway Fund is probably going to use some of their excess for their street preservation funding. I know Parks & Rec, they have a lot of their capital projects. They may have maintenance come out of here for different park improvements. I've also got some information if anybody has questions on any of the other funds. I do have some information on those.

Chairman Burroughs said and I thank you for that, Debbie. It's important. In the alcohol program, doesn't some of that money go into parks also? **Ms. Jonscher** said yes. That one is split between the General Fund, the Special Alcohol, and the Special Parks. **Chairman Burroughs** said thank you. Just for those who have raised concerns about park funding, there's a multitude of or a number of revenue sources that we may want to identify.

These funds, if you'll notice, there's a 5% target reserve range. You see that some of these funds are accumulating quite a reserve. I think at one time, the UG Technology Fund or the Treasurer's Fund, one of them was over 2000% when I first came in. So, there has been some spend down of those funds and some movement in those reserves. I just wanted to bring that to your attention. Thank you, thank you, Debbie.

Ms. Jonscher said if you would like any information on what they're planning to spend that on, I do have that information that I can provide. **Chairman Burroughs** said well, Debbie, just for the committee's purview, that $6.947 is the amount of reserves that we have sitting in those accounts, correct? **Ms. Jonscher** said that's the amount that's actually in excess of the target. **Chairman Burroughs** said thank you.



2021 Expenditure and Transfers & Fund Balances
Special Revenue Funds' Resources Legally Restricted for Authorized Uses
Source: Non-Major Governmental Funds' Income Statement, 2021 Annual Comprehensive Financial Statements

Fund	FY 2021 Expenditures & Transfers-out	FY 2021 Ending Total Fund Balance	Fund Balance as % of Expenditures & Transfers-out	Target Reserve Range (as a % of Expenditures & Transfers-out)	Fund Balances in Excess of Highest Reserve Target Range	Notes-Revenue Sources/Obligations of Outstanding Fund Balance
Jail Commissary	$ 26,531	$ 358,216	1350%	8% to 12%	$ 355,032	Restricted to inventory cost of sale to inmates for clothing, food, etc
Special Dedicated Sales Tax	$ 8,428,834	$ 11,401,369	135%	5% to 10%	$ 10,558,486	Resources committed for prior year capital projects & equipment acquisitions
Special Assets Fund	$ 301,637	$ 1,742,931	578%	5% to 10%	$ 1,712,767	100% assigned for future projects at CAO and Commission direction
Tourism & Convention	$ 5,269,275	$ 4,165,301	79%	3% to 5%	$ 3,961,837	100% assigned for future projects at CAO and Commission direction
Environmental Trust	$ 1,387,168	$ 628,428	45%	10% to 15%	$ 420,353	100% assigned for future dedicated projects / potential landfill risk mitigation
Totals	$ [illegible]	$ [illegible]	110%		$ [illegible]	

Ms. Jonscher said the next slide are funds that were created by the UG Commission with authority of state statute. We've got five funds listed here which includes: the Dedicated Sales Tax Fund, the Tourism, Special Assets, the Environmental Trust Fund, and it shows what their fund balance percentages are. If you recall, the dedicated sales tax is the 3/8 cent sales tax for public safety and infrastructure.

Chairman Burroughs said, Debbie, if I may. The special dedicated sales tax, as you just stated, the $10M that's resources committed for prior year capital projects, is that 2020 or 2021 prior year? **Ms. Jonscher** said if it was a capital project that started in 2020 and carried over to 2021 and then, again, it would—the balance is carrying over from 2021. **Chairman Burroughs** said great. Thank you.

Commissioner Stites asked, would you roll back one slide if you don't mind. So, is that balance $17M, or is that $6M? **Ms. Jonscher** said $16.9M with the largest portion of that in the Dedicated Sales Tax Fund. **Commissioner Stites** said okay. Thank you. **Chairman Burroughs** said that dedicated sales tax is divided three ways: Police, Fire, and infrastructure.

Commissioner Davis said for these particular funds, this opens up a lot of possibilities in the current budget season that we're in. These—I'm trying to get my question correctly. Our current practice is to get at the 17% reserves for these special funds. **Ms. Jonscher** said that 17% was for the General Funds. The target reserve range that we have listed here in the fourth column over, that's what we have in our policy for each of these funds. Some of the Special Revenue Funds don't follow that same 17%. They have different percentages that we've identified in our policy. The Special Dedicated Sales Tax Fund, the range is 5-10%.

Commissioner Davis said okay. So, those ranges kind of vary. I'm assuming you all just kind of at your discretion, you decide what the appropriate amount within that range every year would be to throw in reserves for the fund. **Ms. Jonscher** said we don't look at them every year, but probably at least we review the policy at least every five years is what we're trying to do or every three to five years. If we see one that looks like—and I think these might be kind of best practice percentages based on what expenditures are being paid out of the fund. **Commissioner Davis** said gotcha.

So for, I guess, what is the current practice or policy, or do you have a percentage of what is currently being done right now in the last three years when it comes to these specific funds? Is it just a blanket 3% or during the budget it's just saying we're going to do a blanket 5, we're going to do a blanket 10? How is that being done? **Ms. Jonscher** asked, when we set the budget? **Commissioner Davis** said yeah. **Ms. Jonscher** said we're probably trying to stay within; I would say like for that particular fund, in the 5-10%. I don't have what we actually did. I could probably go back and check that.

Commissioner Davis said I think two things. Number one, if you're saying these are in excess of, then we—and I would ever request, Chair, if it appeases you, to have us come back and have a conversation specifically on these reserve funds and make some recommendations to the governing body of what we can do. Granted, these would be probably one-time expenses, but they're worth looking at especially given how much we are.

The other thing is maybe instead of this range, we have a specific goal. So, if we can have a conversation on the reserve funds and then the reserve policy for these particular mill levy-generated funds that are not restricted. We can move some of this money around and solve some of our community problems and issues that we're having. Thank you.

Chairman Burroughs said thank you, Mr. Davis. This was something that was brought forward, like I said, about four years ago in reference to these funds because if there's a large sum sitting there and it's not being spent, services aren't being provided. Those funds can't be spent for anything else, but what they're set aside for.

One of the things I think about on the special dedicated sales tax, I think we just went through radio purchase for our Police and Fire. I can't remember, I think we either paid cash out of reserves or bonded that or thinking about bonding it. Here it is sitting in the reserves and the money could have been utilized there. Just an option, but I do appreciate the fact that someone else is willing to look at that on the committee. I appreciate that very much.

Ms. Jonscher said one thing I will note on there, and even though it does show the fund balance in excess of $10.5M, it does say some of these resources, and I wish I had that number, but some of those resources may already be encumbered for projects that may have carried over, that are carrying over into 2022. **Chairman Burroughs** said thank you, Debbie. Any other questions or comments? Seeing none. Debbie.

Ms. Jonscher said I'll just quickly go through the Internal Service Funds. We have two Internal Service Funds that we're going to be talking about: the workers' comp and the self-insured healthcare.

Internal Service Funds reserve policy

ADOPTED JUNE 2018

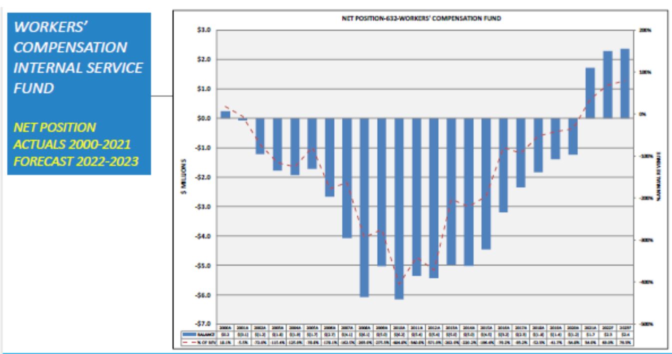
Reserve Targets

- Employee-related ISF services are to be funded at actuarially determined marginally acceptable levels.
- "Marginally acceptable levels" is an insurance actuarial term that connotes a funding reserve level which the insurance industry has 70 percent confidence that the reserve is adequate to meet funding needs.

Compliance

- Measurement at December 31st as part of annual financial audit
- If target level of reserves are not being met **or likely to not be met at some point within a five-year time horizon**, then during the annual budget process, fund balance levels will be provided to the Mayor and Board of Commissioners and a plan will be proposed to replenish reserves.

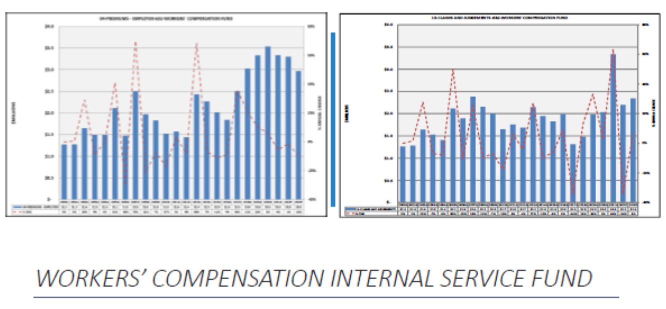
Just on this next slide, same information. Just kind of what we look at for reserve targets and how the compliance is measured. Pretty much the same information. I will just note on the Internal Service funds it says they are funded at the actuarial determined marginally acceptable levels. What that means is that an insurance actuarial term denotes a funding reserve level which the insurance industry has 70% confidence that the reserve is adequately meeting the funding needs. Some of the reserve target is based on an actuarial report that is done for these funds.



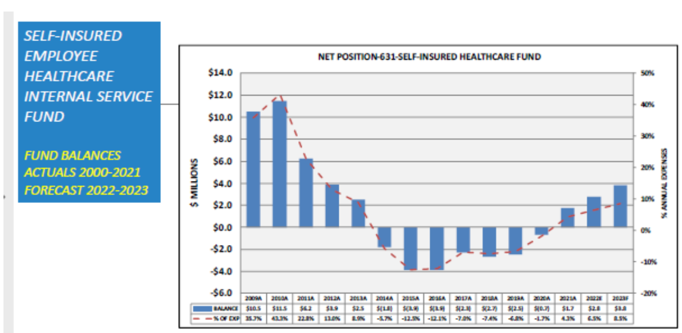
With the workers' comp, this is just showing the net position for the Workers' Comp Fund. As you can see, there were many years where the net position was negative. Over the last—for 2021 and then we're estimating 2022 and 2023 to both have a positive net position. We'll just note that this fund and the self-insurance are claims driven. Claims can vary from year to year so that can affect the fund balance.

We'll just note that the work comp decreased in claims IBNR, which is incurred but not reported, did change based on some actuarial assumptions, and I think that is helping with the positive fund balance that we're seeing now.

Chairman Burroughs said, Debbie, if I may. It has been requested by me to find out what the average cost for our retirees' healthcare plan is. Can we get an aggregate number of what the average cost for the employee healthcare plan is? I don't know if it's because they've had an increase or if we have more retirees, but that 70% funding, as you stated, is an industry-standard. I just wanted to be able to respond that this is what the average cost for a healthcare plan for employees are and retirees. I guess it would be the retirees and employees because I think they're both the same. They both come out of the same pool. **Ms. Jonscher** said I can get that. I don't have that today, but I can get that. **Chairman Burroughs** said at your convenience. Thank you.

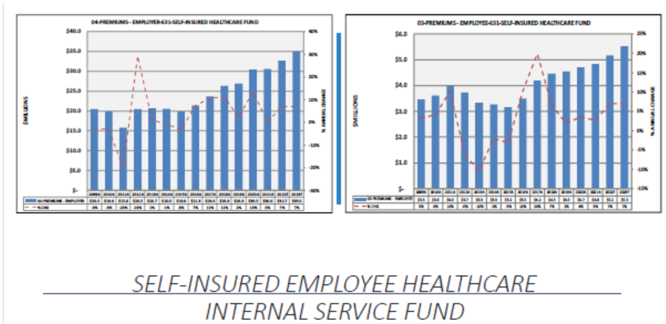


Ms. Jonscher said the next slide is just showing a comparison of the premiums. This goes all the way back to it looks like 2000. I can't quite see that even on my own paper, but I think it's 2000. Just showing on the left-hand side are the premiums, then on the right-hand side are the claims and judgments incurred each year.

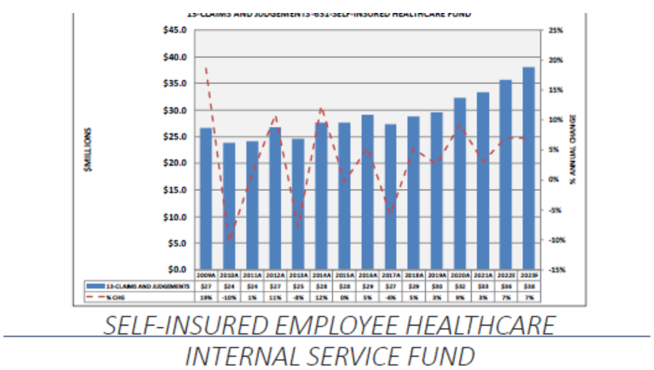


The next slide is where I have the same information for the self-insured healthcare plan. I did just want to note that this one is also claims driven. We have had increases in the fees, the contributions, the premiums, so that does contribute to helping the fund balance. I think over the past several years, the increases have been about 7-8%. Some assumptions that are included, they had decreased the seed money from the UG for the HSA plan. They were also, you know, I mentioned the increased premiums. Then also on this one, the decrease in the incurred but not reported based on the actuarial reports. All of those things have affected the fund balance.

As this one, the same as the previous one, you can see that 2021, we did end in a positive net position. We're estimating 2022 and 2023 to also have a positive net position.



The next slide, the same thing. Just showing the premiums for the healthcare as well as the, let's see, this one is premiums for the employer and premiums for the employee.



The last one just shows claims and judgments, by year, out of the fund. It looks like this goes back to 2009. Just showing how some of the claims can vary by year.

ADDITIONAL INFORMATION SLIDES

We have additional information in the slides. I don't know if I need to go through every—some of them are just for information.

OPERATING AND EMERGENCY RESERVES DEFINED

Per the Adopted General Fund Reserve Policy (IV.A) https://www.wycokck.org/Finance/FAPolicies.aspx:

- *Operating Reserve – "two months* (of expenditures and transfers-out) *will be maintained to meet general operating needs and to allow for budgetary uncertainty".* The Operating Reserve was established to mitigate the loss of service delivery and budgetary/financial risks associated with unexpected revenue shortfalls during a single fiscal year. The purpose of the Operating Reserve is to provide fiscal stability in response to unexpected downturns or revenue shortfalls.
- *Economic Uncertainty/Emergency Reserve – "one-month* (of expenditures and transfers-out) *may be targeted to be assigned to provide resources during economic downturns or to address vulnerabilities to extreme events, and emergencies impacting public safety concerns".* The Economic Uncertainty/ Emergency Reserve was established to sustain the General Fund operations in the case of a public emergency such as a natural disaster or other catastrophic event, such as a tornado, fires, floods, civil unrest, terrorist attacks or a health pandemic.
- *Policy section IV.J "Excess of Reserves"* discusses the use of excess minimum reserves once the 3-months of operating expenditures and transfers-out has been accumulated. The General Fund has not reached the 3-month reserve level.

This is just some more information on the operating reserves, the additional one month and then the policy section for the excess of reserves.

General Fund Reserves

General Fund Unassigned Fund Balances of Neighboring Local Governments
Percentage of Total General Fund Revenues

Entity	2020 Population	CAFR Report Date	Total General Fund Revenues	Total General Fund Revenues Per Capita	Unassigned Fund Balance (General Fund)	Unrestricted Fund Balance as a Percentage of Total General Fund Revenues
County of Jackson, MO	705,925	31-Dec-20	$ 119,456,390	$ 169	$ 47,313,324	40%
County of Johnson, KS	607,220	31-Dec-20	$ 479,468,962	$ 790	$ 129,620,730	27%
City of Kansas City, MO	499,059	30-Apr-20	$ 589,043,000	$ 1,180	$ 68,791,000	12%
City of Wichita, KS	391,731	31-Dec-20	$ 238,165,766	$ 608	$ 45,031,657	19%
City of Overland Park, KS	199,130	31-Dec-20	$ 159,296,352	$ 800	$ 52,328,611	33%
County/City of Unified Govt, KS	163,800	31-Dec-20	$ 203,208,668	$ 1,241	$ 40,977,190	20%
City of Olathe, KS	140,858	31-Dec-20	$ 100,291,543	$ 712	$ 30,336,965	30%
City of Topeka, KS	125,310	31-Dec-20	$ 94,039,214	$ 750	$ 21,915,115	23%

This next one just shows the neighboring communities and some additional information that was provided, in addition to the fund balance percentage that I shared earlier.

COUNTY LEVY FUNDS – LEGAL AUTHORITY

- *K.S.A. 19-101a et seq.* granted home rule powers to counties in 1974, and, like cities, counties may use home rule powers as a basis for a property tax levy as described in *K.S.A.19-117*. Authority of county commissioners to issue levies under *K.S.A. 70-1802*.
- **Developmental Disabilities Fund** – *K.S.A. 19-4004, 19-4007 and 19-4011* to provide services such as: job placement services for disabled and developmentally disabled clients; vocation services to help clients gain wage earning job skills; services to help individuals learn independent living skills; and a preschool designed to prepare disabled children for the school experience.
- **Election Fund** – *K.S.A. 19-3435a, 25-2201a, and 39-417* to provide necessary funding for the payment of the salaries and expenses of the office of the election commissioner and election expenses. K.S.A. 19-3424(c) states The board of county commissioners shall consider the request in the same manner as other departments and agencies of the county and shall approve and adopt a budget for the office of election commissioner within the county budget in an amount determined by the board of county commissioners to be sufficient and adequate for the performance of the duties of the office and the conduct of elections as required by law.
- **Health Department Fund** – *K.S.A. 65-204* for the purpose of providing funds to assist in carrying out health laws, rules and regulations of the county and to provide funds for capital expenditures for county health purposes.
- **Mental Health Fund** – *K.S.A. 19-4004, 19-4007 and 19-4011* purpose of contracting services with nonprofit corporations to provide either mental health services or services for clients with mental health needs.
- **Aging (Special Programs for Elderly) Fund** – *K.S.A. 12-1680* to provide funds for service programs for the elderly for three senior centers, providing two transportation systems, educating and monitoring clients with health needs.

The rest of the slides are just the legal authorities for all the different funds. I can go through those if you'd like me to. **Chairman Burroughs** said I don't think it's necessary. I think the committee can review it. **Ms. Jonscher** said it's provided for you to review if you would like to see what restricts some of those funds.

Chairman Burroughs said I appreciate the tremendous amount of information, the statutes, and the ordinances and resolutions that are tied to those particular funds; I think are important. It goes back to the questions that were asked in reference to the fund as we went through the presentation.

Commissioner Davis said I think from a budgeting standpoint, if I can give kind of a summary of kind of where some of the gaps are. I, and this is just my opinion, I think that one of the reasons why we have a high amount of underspending on expenditures is in part because of the rather progressive estimates on projections year after year on what we will spend because it's at what, 2.4%, which isn't bad. When it comes to revenue, though, you all are spot on. I think it's what, 0.2%. There's something about how we're estimating on what we are spending every year that ends up with a $6M gap. I think this information is telling that we hopefully need to reverse course so that we're putting more money either back in the pockets of our constituents or we're giving them the amenities and structures and things that they deserve.

The other thing I will say is, I'm very much interested in not leaving, I count, about $25.8M in reserve funds sitting there for another budget cycle. Whatever I have to do, I will be very vocal about that going forward. It is not great practice. I want a savvy savings. We need to be prepared for emergencies, but holding on too much means that, again, we're not necessarily putting that money to work for our residents. I know that they are restricted funds, but I'd like to see our departments, who ask us for a lot of things, use the actual funds that we've given them for these dedicated funds within the budget as opposed to asking for more General Fund requests, which means we have more money to spend.

Chairman Burroughs said thank you, Commissioner Davis. Any other comments? Seeing none. Debbie, that should conclude your presentation on that particular item, correct? **Ms. Jonscher** said yes. This was for information only and that's the end of my presentation.

Chairman Burroughs said great. Thank you. Are there any comments? I know this is for information only, but are there any comments from the public and/or anybody in attendance this evening who would like to make a comment? **Ms. Sparks** said we didn't receive any comments. **Chairman Burroughs** said thank you. As I stated, this is for information only.

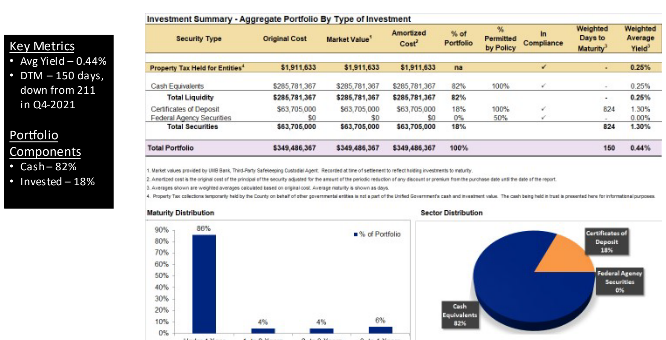
Action: **For information only.**

Item No. 5 – 211788….REPORT: 2022 FIRST QUARTER CASH INVESTMENT

Synopsis: 2022 First Quarter Cash Investment Report, submitted by Andrea Vinyard, Deputy Treasurer.

Chairman Burroughs said I believe we'll have Andrea Vinyard, Deputy Treasurer, presenting this evening.

Andrea Vinyard, Deputy Treasurer, said I also have to my left would be the County Treasurer Becky Berger, in case anyone has questions for her or I. We won't take up very much of your time. We just wanted to go over the Quarter 1 of 2022 Investment Report. Obviously, we're a little behind. Things that are out of our control delay some of that, the cyberattack along with just reporting. I have no bad news to give you, of course. We'll just dive right in.



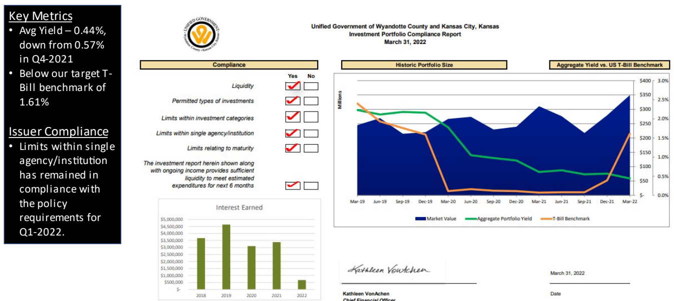
Investment Summary - Aggregate Portfolio By Type of Investment

Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	**$1,911,633**	**$1,911,633**	**$1,911,633**	**na**		✓	-	**0.25%**
Cash Equivalents	$285,781,367	$285,781,367	$285,781,367	82%	100%	✓	-	0.25%
Total Liquidity	**$285,781,367**	**$285,781,367**	**$285,781,367**	**82%**			-	**0.25%**
Certificates of Deposit	$63,705,000	$63,705,000	$63,705,000	18%	100%	✓	824	1.30%
Federal Agency Securities	$0	$0	$0	0%	50%	✓	-	0.00%
Total Securities	**$63,705,000**	**$63,705,000**	**$63,705,000**	**18%**			**824**	**1.30%**
Total Portfolio	**$349,486,367**	**$349,486,367**	**$349,486,367**	**100%**			**150**	**0.44%**

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent. Recorded at time of settlement to reflect holding investments to maturity.
2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.
3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.
4. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value. The cash being held in trust is presented here for informational purposes.

The first slide for me is pointing out, you can't see which is the right side of where those other attendees are, it says we're at a weighted average yield of .44, which is going to be explained in the next slide a little further. But as far as days to maturity, we were at 150 for Quarter 1, which is down from Quarter 4. We did have some things mature that were more three to four-year maturities from prior years that came and fell off.

As far as the components of the portfolio, we're at 82% cash for that quarter along with an 18% in investments.



Like I mentioned, .44% is the average yield, which was down from Quarter 4, which was at .57%. Still below the target T-bill rate of 1.61%. As I come forth to you each time, I always like to point out our compliance. When I started here about five years ago doing this to now, we have remained in compliance for all of our institutions staying within the policy of that requirement, including Quarter 1 of 2022. That kind of projects the interest looking strong so far for Quarter 1 compared to the three-four years prior to that.

Types of securities in our investment portfolio?

Of the $349.5 M total, $63.7 M or 18% - CDs fully collateralized per investment policy and State Statute & $0 US Agencies Securities.

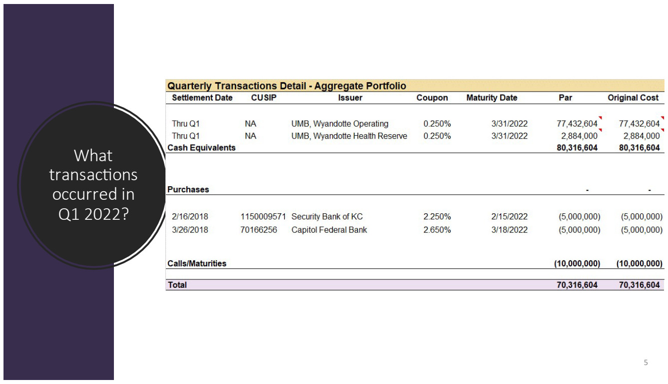
Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[3]	% Permitted by Issuer	In Compliance[3]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	**1,911,633**	**1,911,633**	**na**	**See note 3**	✓	**0**	**0.25%**
UMB, Wyandotte Operating	282,759,367	282,759,367	81%	25%	✓	0	0.25%
UMB, Wyandotte Health	3,022,000	3,022,000	1%	25%	✓	0	0.00%
Cash Equivalents	**285,781,367**	**285,781,367**	**82%**		✓	**0**	**0.25%**
Argentine Federal Savings	235,000	235,000	0%	25%	✓	0	0.00%
Bank Midwest	235,000	235,000	0%	25%	✓	0	0.00%
Commerce Bank	54,000,000	54,000,000	15%	25%	✓	785	0.91%
Security Bank of KC	9,235,000	9,235,000	3%	25%	✓	22	0.22%
Certificates of Deposit	**63,705,000**	**63,705,000**	**18%**		✓	**824**	**1.30%**
NA	-	-	0%	*50% of total portfolio*	✓	0	0.00%
NA	-	-	0.0%		✓	0	0.00%
Federal Agency Securities	**-**	**-**	**0%**		✓	**0**	**0.00%**
Grand Total	**349,486,367**	**349,486,367**	**100%**			**150**	**0.44%**

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent.
2. Averages shown are weighted averages calculated based on original cost for the respective investment categories. Average maturity is shown as days.
3. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value for investment reporting purposes. The cash being held in trust is presented here for informational purposes.

4

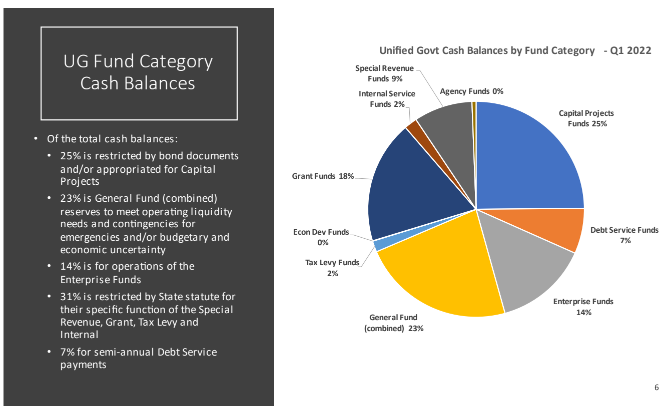
As a portfolio as an aggregate as far as where we stand of the $349M, we have $63M of that in CDs, which is about 18%. As of Quarter 1, we did not have any US agency securities invested. The cash and operating show outside of that there at the top.



Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q1	NA	UMB, Wyandotte Operating	0.250%	3/31/2022	77,432,604	77,432,604
Thru Q1	NA	UMB, Wyandotte Health Reserve	0.250%	3/31/2022	2,884,000	2,884,000
Cash Equivalents					**80,316,604**	**80,316,604**
Purchases					-	-
2/16/2018	1150009571	Security Bank of KC	2.250%	2/15/2022	(5,000,000)	(5,000,000)
3/26/2018	70166256	Capitol Federal Bank	2.650%	3/18/2022	(5,000,000)	(5,000,000)
Calls/Maturities					**(10,000,000)**	**(10,000,000)**
Total					**70,316,604**	**70,316,604**

The last slide here, I have one other one, but Debbie covered it pretty thoroughly before I came up here. Quarter 1, overall, we only had two maturities, no purchases, Security Bank, and then we had one from Capital Federal that all matured that we invested early in 2018. Each of $5M.



As I alluded to, Debbie covered this pretty thoroughly before I came up here. I know she's got some more presentations with Reggie after me. I can go into detail, but I think you'll hear enough from her next.

That's mine. I can entertain any questions of course.

Chairman Burroughs said thank you. Committee, any questions? No questions? I have one. You knew I would have one. What is a cash equivalent? If we're sitting on almost $300M, what is a cash equivalent? **Ms. Vinyard** asked, are you referring to this slide, I assume? **Chairman Burroughs** said it's the one before it, slide #4. I'm just curious. It shows a grand total of $349,486M of cash equivalent. I know we're looking at—if we have that kind of money in the bank, so to speak, cash equivalent, can it be pulled over into reserves? Can it be used for operations? What can it be used for? **Ms. Vinyard** said I may have to defer to Debbie for that one.

Debbie Jonscher, Deputy Chief Financial Officer, said that's the operating funds. All of those funds that we just talked about, all of the money—when we get that money in, it goes into the Operating Fund. That $282M includes all of those funds.

Chairman Burroughs asked, and the 17% reserves or the 25% reserves that we have is included in some of that? **Ms. Jonscher** said that's part of that. **Chairman Burroughs** said gotcha. I think it's important for the public to see that when they see that kind of cash equivalent sitting there and wondering why we're not lowering taxes or wonder why we're sitting on so much cash and not utilizing it the way they expect it should be used. But thank you for that. **Ms. Jonscher** said I think the last graph, that just shows how all the funds are broken up into the—all the money is broken up into the different funds.

Chairman Burroughs asked, any questions, comments? Seeing none. As I stated, that was for information only also. Thank you, Andrea and Becky. Appreciate that very much.

Action: For information only.

Item No. 6 – 211792….REPORT: 2022 FIRST QTR BUDGET REVISIONS GREATER THAN $10K

Synopsis: 2022 First Quarter budget revisions greater than $10K Report, submitted by Reginald Lindsey, Budget Manager.

Chairman Burroughs said I believe Mr. Lindsey will be making this presentation this evening.

Reginald Lindsey, Budget Manager, said quarterly, we bring forward departments' requests to move $10K or more. If departments are moving more than $50K and it's an emergency, it has to go to the County Administrator and also the Mayor. If it's just over $10K, it goes to the County Administrator. If it's something over $50K and it's not an emergency, it comes to this standing committee and then moves on to the full Commission to discuss.

BUDGET REVISIONS $10,000 OR GREATER - 1ST QUARTER 2022*(For information only)*

ENTRY	FUND	DEPARTMENT	CMIP/OPERATING	DESCRIPTION	FUNDING SOURCE	AMOUNT	DATE APPROVED
1	City/County General	Various	Operating	Software Maintenance	Inside Department	$47,600	February 22, 2022
2	County General	Sheriff	Operating	Camera System Replacement	Inside Department	$110,000	March 22, 2022
				GRAND TOTAL		$167,600	

This quarter we have two budget revisions. One is for various departments. It is for a software maintenance and purchase related to managing our vacant properties. What it does is it allows us to manage those vacant properties across multiple departments and that includes Delinquent Revenue, Planning, Land Bank, and the Police departments, and also Planning.

That budget revision was for $47K. It was done within existing funds. There were no funds that had to be pulled from contingencies or anything.

The next budget revision was for the Sheriff's Department. It was for a camera system that was down. For replacement of the camera system, that was $110K. It came from within the Sheriff Department's budget.

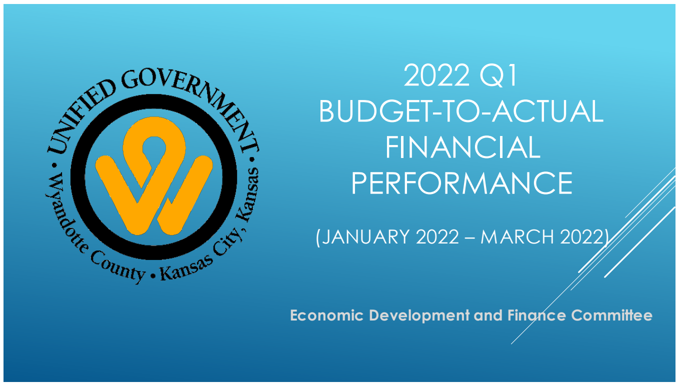
Chairman Burroughs said thank you. Any questions, comments? Any hands, staff? **Ms. Sparks** said no hands are raised. **Chairman Burroughs** said seeing none, okay. Thank you. Again, this was for information only.

Action: For information only.

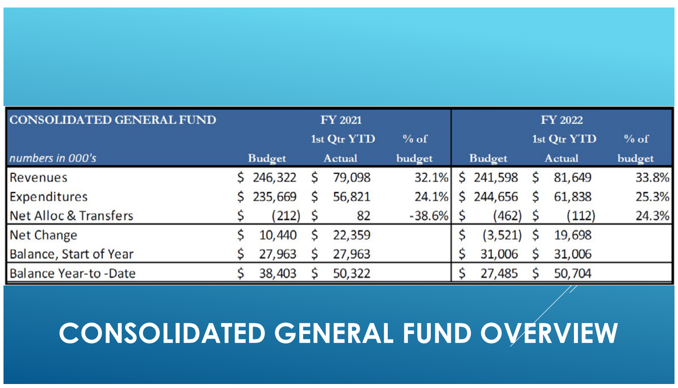
Item No. 7 – 211793…REPORT: 2022 FIRST QTR BUDGET TO ACTUALS

Synopsis: First Quarter Budget to Actuals Report, submitted by Debbie Jonscher, Deputy Chief Financial Officer; and Reginald Lindsey, Budget Director.

Chairman Burroughs said, Reggie, I believe you have the privilege at this time to present again.



Debbie Jonscher, Deputy Chief Financial Officer, said I'll go ahead and start this one. This is our Quarter1 2022 Budget-to-Actual Financial Report. I'll do the revenues and Reginald Lindsey, our Budget Director, is going to talk about the expenses.



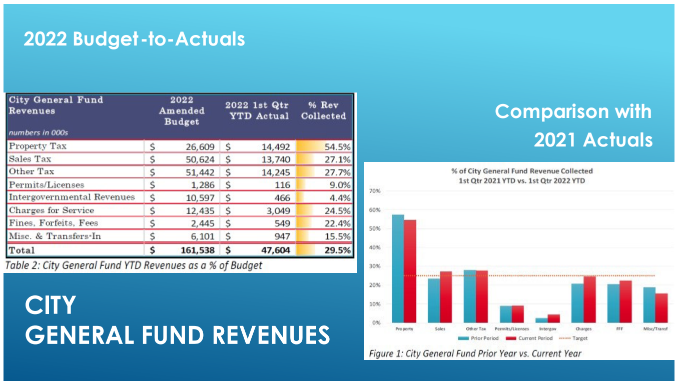
CONSOLIDATED GENERAL FUND	FY 2021			FY 2022		
numbers in 000's	Budget	1st Qtr YTD Actual	% of budget	Budget	1st Qtr YTD Actual	% of budget
Revenues	$ 246,322	$ 79,098	32.1%	$ 241,598	$ 81,649	33.8%
Expenditures	$ 235,669	$ 56,821	24.1%	$ 244,656	$ 61,838	25.3%
Net Alloc & Transfers	$ (212)	$ 82	-38.6%	$ (462)	$ (112)	24.3%
Net Change	$ 10,440	$ 22,359		$ (3,521)	$ 19,698	
Balance, Start of Year	$ 27,963	$ 27,963		$ 31,006	$ 31,006	
Balance Year-to -Date	$ 38,403	$ 50,322		$ 27,485	$ 50,704	

CONSOLIDATED GENERAL FUND OVERVIEW

I'll just start out. We're just looking at the Consolidated General Fund. Just to note, the General Fund is the primary operating fund and accounts for the majority of the operating expenses for the Unified Government. The consolidated does include the three General Funds, which are: City County, and the Parks & Recreation.

This first one is just a comparison of First Quarter 2022 with First Quarter 2021. For 2022, you can see we are at—revenues are at 33.8% of budget. Expenditures are at 25.3%. Net allocations and transfers, that's the transfers in and out, are netted together, are at 24.3%.

I'll just note the change in fund balance for the first quarter is currently 19.6. It starts—the balance at the beginning of the year was $31M and year-to-date it is $50.7M. We'll just note that revenues are 1% higher than the prior year as a percentage of budget. I did want to note that the budget does include the revenue loss reimbursement funds through the ARPA funding.



City General Fund Revenues *numbers in 000s*	2022 Amended Budget	2022 1st Qtr YTD Actual	% Rev Collected
Property Tax	$ 26,609	$ 14,492	54.5%
Sales Tax	$ 50,624	$ 13,740	27.1%
Other Tax	$ 51,442	$ 14,245	27.7%
Permits/Licenses	$ 1,286	$ 116	9.0%
Intergovernmental Revenues	$ 10,597	$ 466	4.4%
Charges for Service	$ 12,435	$ 3,049	24.5%
Fines, Forfeits, Fees	$ 2,445	$ 549	22.4%
Misc. & Transfers-In	$ 6,101	$ 947	15.5%
Total	**$ 161,538**	**$ 47,604**	**29.5%**

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

Next we're going to look at the City General funds. The first graph up there just shows all the General Fund revenues. As you can see, the total down at the bottom for all revenues is 29.5%. With the quarter, you would expect to see 25%, however, in some of the categories we do receive more than just one quarter of revenue budgeted. For instance, property tax. With the first quarter distribution that occurs in January, we typically receive about half of the property tax revenue for the year. In the second quarter, it's usually up close to somewhere between 90-100%.

As you can see, property tax is at 54.5%. Sales tax is at 27.1%, so we're a little higher for the quarter than what we budgeted. Other tax which includes the BPU PILOT, franchise fees, and delinquent taxes we're at 27.7%. Charges for service, we're at 24.5%. The largest one there would be the trash collection fees. Then we have fines at 22.4% and miscellaneous at 15.5%.

The second graph on there is just a comparison of 2021 actuals. The blue is the prior period, and the red is the current period. It just shows you, we've got on here General Fund revenue, each one of the categories kind of showing the comparison in a graph form.

Chairman Burroughs said, Debbie, if I may. Even though it's first quarter, we see 54% of the property tax. Second quarter, if we do have second quarter reports, that's not going to change a whole lot unless the delinquency factor comes into play.

Ms. Jonscher said in the second quarter—for the second half, payment occurs in May so usually by the end of the second quarter, we've collected between 90-100% of the property tax revenue. Any remaining we have, I think, two more distributions after that usually just pick up any delinquent collections.

Chairman Burroughs said great. Thank you. You got right to the point that I was wanting to discuss. May I ask why we don't—how long does it take to get the 2022 Second Quarter Report?

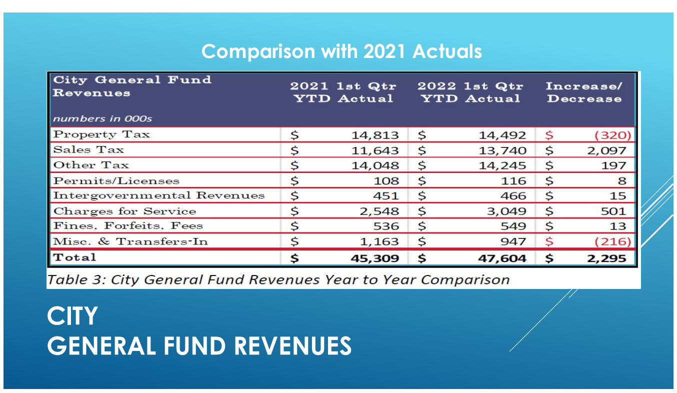
Here we are into the—we're past the second quarter. I know we had issues with our system, but do we usually wait a full quarter to go back…

Ms. Jonscher said no. We're usually, usually we present once the first quarter ends, we're presenting somewhere in the second quarter. So, yes, we are behind and that was due to not being able to access all of our numbers due to the cyberattack, so we are a little behind. I would expect that we would probably be bringing back the second quarter here in the next…**Mr. Lindsey** said probably within the next month or so possibly. **Ms. Jonscher** said if it's not August, it could be September at the latest.

Chairman Burroughs said I was hoping that we'd have some updated numbers so as we start the budget process, or while we're in the budget process, to look at what kind of revenue we're getting from our property tax, sales tax because I do believe our sales tax will probably outperform again like it did last year and the same with the other tax. So, just curious. I do know that we were running blind here for six weeks and that put us behind. Thank you for that.

Commissioner Davis said I just need some clarity. What are the two rough times of the year where normally you would receive 90%, right, or near 100% property tax collection? What are the periods of the year as to which we are expecting to receive property tax payments?

Ms. Jonscher said the two largest collections, or our distributions, are January. We collect the first half payment is due in December and then that gets distributed to all the taxing entities in January. So, the first quarter is the first half payment. The second half payment occurs in May and so that's distributed in June. So, by the end of June, we've usually received 90% or more of the property tax revenue. **Commissioner Davis** said okay. Thank you.

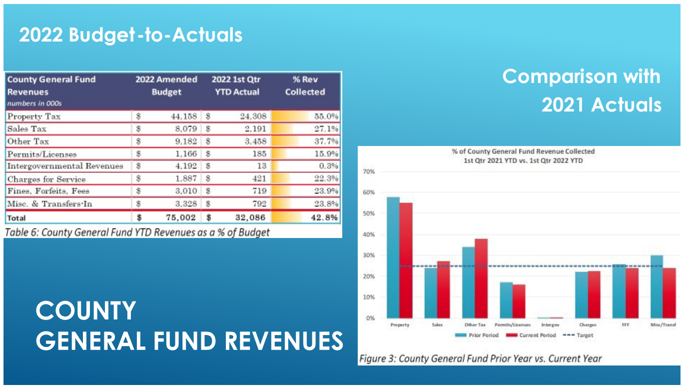

Comparison with 2021 Actuals

City General Fund Revenues *numbers in 000s*	2021 1st Qtr YTD Actual		2022 1st Qtr YTD Actual		Increase/ Decrease	
Property Tax	$	14,813	$	14,492	$	(320)
Sales Tax	$	11,643	$	13,740	$	2,097
Other Tax	$	14,048	$	14,245	$	197
Permits/Licenses	$	108	$	116	$	8
Intergovernmental Revenues	$	451	$	466	$	15
Charges for Service	$	2,548	$	3,049	$	501
Fines, Forfeits, Fees	$	536	$	549	$	13
Misc. & Transfers-In	$	1,163	$	947	$	(216)
Total	**$**	**45,309**	**$**	**47,604**	**$**	**2,295**

Table 3: City General Fund Revenues Year to Year Comparison

CITY
GENERAL FUND REVENUES

Ms. Jonscher said this last graph for the City General Fund is just a comparison of First Quarter 2021 and 2022 and just showing the comparison. The far right column is just the increase or decrease compared with last year for the same period. You can see overall we're about $2.2M higher in collections than we were for the first quarter of 2021.



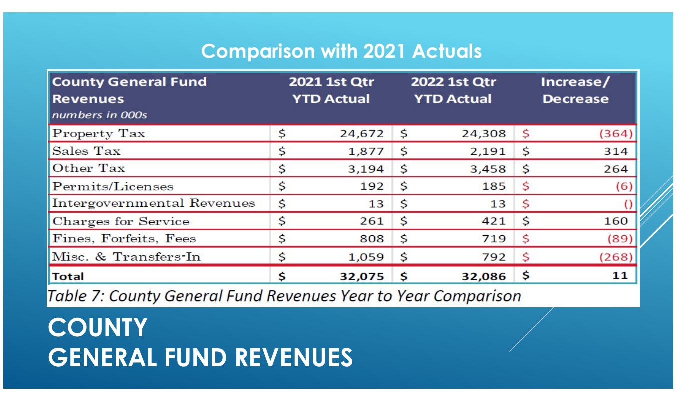
County General Fund Revenues *numbers in 000s*	2022 Amended Budget	2022 1st Qtr YTD Actual	% Rev Collected
Property Tax	$ 44,158	$ 24,308	55.0%
Sales Tax	$ 8,079	$ 2,191	27.1%
Other Tax	$ 9,182	$ 3,458	37.7%
Permits/Licenses	$ 1,166	$ 185	15.9%
Intergovernmental Revenues	$ 4,192	$ 13	0.3%
Charges for Service	$ 1,887	$ 421	22.3%
Fines, Forfeits, Fees	$ 3,010	$ 719	23.9%
Misc. & Transfers-In	$ 3,328	$ 792	23.8%
Total	**$ 75,002**	**$ 32,086**	**42.8%**

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

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

Next we'll cover the County General Fund. Same thing on the property tax. As you can see, we're at about 55%. Property tax, this would be the same collection as the city. Those are distributed at the same time. Sales tax, again, is at 27.1%. Other taxes, which would include motor vehicle taxes and delinquent taxes, is at 37.7%. Charges for service is at 22%. That could include items like the jail fee that's paid from the city to the county for the use of the jail, parking fees. Fines and forfeits are at about 23.9%, and miscellaneous is 23.8%. So, the total revenue collection to date for the first quarter for the County General Fund is 42.8%.

The next graph, again, is just showing in graph form a comparison of First Quarter 2021 year to date versus First Quarter 2022.

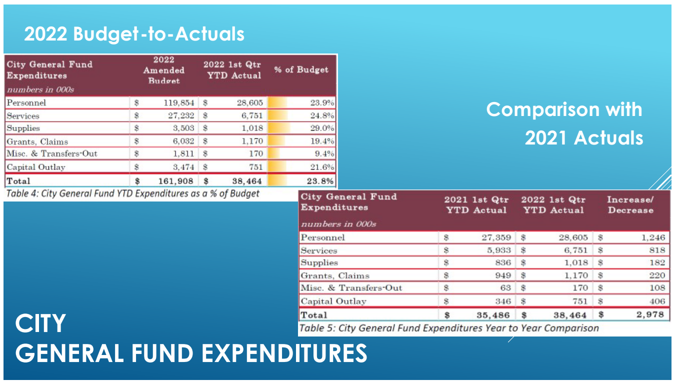


County General Fund Revenues *numbers in 000s*	2021 1st Qtr YTD Actual	2022 1st Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 24,672	$ 24,308	$ (364)
Sales Tax	$ 1,877	$ 2,191	$ 314
Other Tax	$ 3,194	$ 3,458	$ 264
Permits/Licenses	$ 192	$ 185	$ (6)
Intergovernmental Revenues	$ 13	$ 13	$ ()
Charges for Service	$ 261	$ 421	$ 160
Fines, Forfeits, Fees	$ 808	$ 719	$ (89)
Misc. & Transfers-In	$ 1,059	$ 792	$ (268)
Total	**$ 32,075**	**$ 32,086**	**$ 11**

Table 7: County General Fund Revenues Year to Year Comparison

The last one is just showing the comparison of 2021 and 2022 and the increase or decrease in each one of the categories. We are about even with where we were in the first quarter of 2021 on the County General Fund.

Now I'm going to turn it over to Reginald Lindsay, our Budget Director, to talk about expenditures.



City General Fund Expenditures *numbers in 000s*		2022 Amended Budget		2022 1st Qtr YTD Actual	% of Budget
Personnel	$	119,854	$	28,605	23.9%
Services	$	27,232	$	6,751	24.8%
Supplies	$	3,503	$	1,018	29.0%
Grants, Claims	$	6,032	$	1,170	19.4%
Misc. & Transfers-Out	$	1,811	$	170	9.4%
Capital Outlay	$	3,474	$	751	21.6%
Total	**$**	**161,908**	**$**	**38,464**	**23.8%**

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

City General Fund Expenditures *numbers in 000s*		2021 1st Qtr YTD Actual		2022 1st Qtr YTD Actual		Increase/ Decrease
Personnel	$	27,359	$	28,605	$	1,246
Services	$	5,933	$	6,751	$	818
Supplies	$	836	$	1,018	$	182
Grants, Claims	$	949	$	1,170	$	220
Misc. & Transfers-Out	$	63	$	170	$	108
Capital Outlay	$	346	$	751	$	406
Total	**$**	**35,486**	**$**	**38,464**	**$**	**2,978**

Table 5: City General Fund Expenditures Year to Year Comparison

Reginald Lindsay, Budget Director, said we have two different views here for the City General Fund expenditures. What we're doing is comparing budget to actuals for the second quarter. At the top left-hand of the page and then at the bottom right-hand side of the page, we're comparing 2022 First Quarter actuals to 2021 year-to-date actuals.

If we look at the first chart at the top, we have the financials. We've got six different categories that we're looking at for expenditures. We have personnel, services, supplies, grants & claims, miscellaneous & transfers, and capital outlay. One thing we can see there is we have a $161M budget for the 2022 Amended Budget. Personnel is $119M and that's like 74% of that budget. Kind of give you a comparison to last year's budget, personnel's budget was like $110M, so we're looking at almost a $10M increase over last year's personnel budget.

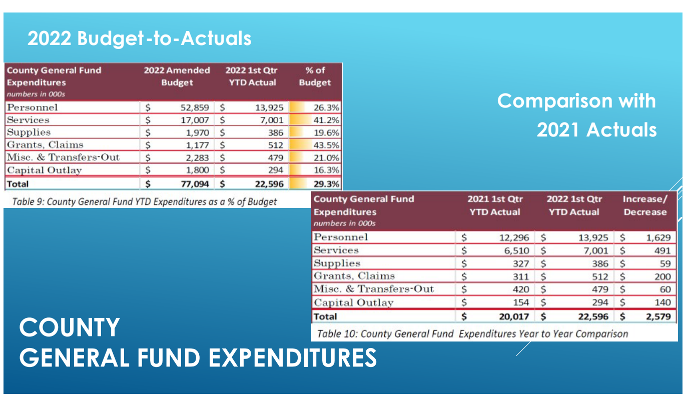
Also, if we look at the 2022 First Quarter year-to-date actuals, we spent like $28M of that $119M. We got 23% left. So, some of the things that's in that personnel budget is we've got salaries, payouts for when someone leaves the organization whether its retiring or going to work someplace else. Then also we have like pension costs, also benefits, and overtime.

The next category is services. We can see we've got a $27M budget there. We have spent $6.7M so far this year. We see almost 25% of the budget. Some of the things here in services are our transit contract, which is one of the bigger contracts here, also trash contract, software maintenance and software purchases, and also legal costs.

Then we have the next category being supplies. You see we've got a $3.5M budget there. So far we've spent like $1M. We like have 29% of that budget is already spent. One of the key things that we're looking for here are, we want to try to keep expenditures at this point in time of the year, under 25%. You can see this one's at 29%. Some of the things that are spent here are utilities, fuel, vehicle parts, and maintenance. One of the reasons that we are kind of about 4% over the 25% ideal spend rate is because this is where we pay for natural gas and natural gas costs have gone up and also fuel has gone up and also vehicle parts have gone up, so that's one of the reasons that budget is a little over. That's one of the reasons why supplies is a little bit more than 25% spent rate that we look to have.

Just kind of give you an idea, out of these categories, so far we've spent $38M year-to-date in the 2022 Budget. Personnel is spending at about 74% of that total $38M. Services are about 17%. Supplies are running about 3%. All in all, we are tracking where we expected the budget to be for year-to-date budget-to-actuals for 2022.

If we go down and we compare in the right-hand corner at the bottom, if we compare 2021 to 2022, personnel is about 5.5% up from our spending last year. If we look at services, it's about 14% up. Also, our supplies, we actually have a 22% increase and that's due to just the cost of things going up compared to last year. Grants and claims were up about 23%. Capital outlay is up 117%. One of the reasons capital outlay is up is because last year we had a larger budget or this year we have a larger budget in capital outlay where we got a $3.4M budget for 2022. In 2021, we had a $1.4M budget.



County General Fund Expenditures *numbers in 000s*	2022 Amended Budget	2022 1st Qtr YTD Actual	% of Budget
Personnel	$ 52,859	$ 13,925	26.3%
Services	$ 17,007	$ 7,001	41.2%
Supplies	$ 1,970	$ 386	19.6%
Grants, Claims	$ 1,177	$ 512	43.5%
Misc. & Transfers-Out	$ 2,283	$ 479	21.0%
Capital Outlay	$ 1,800	$ 294	16.3%
Total	**$ 77,094**	**$ 22,596**	**29.3%**

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

County General Fund Expenditures *numbers in 000s*	2021 1st Qtr YTD Actual	2022 1st Qtr YTD Actual	Increase/ Decrease
Personnel	$ 12,296	$ 13,925	$ 1,629
Services	$ 6,510	$ 7,001	$ 491
Supplies	$ 327	$ 386	$ 59
Grants, Claims	$ 311	$ 512	$ 200
Misc. & Transfers-Out	$ 420	$ 479	$ 60
Capital Outlay	$ 154	$ 294	$ 140
Total	**$ 20,017**	**$ 22,596**	**$ 2,579**

Table 10: County General Fund Expenditures Year to Year Comparison

Moving on to the County General Fund. They're the same setup with financials. The top left-hand side of the page, we have a view of the budget where we can see how much we spent compared to the budget for 2022. At the bottom right-hand of the page, we have financials where we compare year-over-year expenditures. We can see in the County General Fund expenditures, we've got a $52M budget for personnel. Just kind of give you where our budget was last year, it was a $48M budget. So, we're looking at about a $5M more budget in personnel expenditure budget for 2022 over 2021.

Looking at the spend rate, we can see we have about 26% of the budget spent in personnel. Ideally, we'd like to be under 25% at the end of the third quarter, so we are a little bit over. Again, some of the things paid from personnel are salaries, pensions, payouts, and overtime.

Then, if we go down and look at services, we can see we have spent $7M. With supplies, we have spent like $386K and we've got like a $1.9M budget. 19% of it has been spent. With capital outlay, we have spent like 16.3% of the budget. We've got like a $1.8M budget. We spent like $294K. Just kind of looking into 2022 First Quarter year-to-date to actuals, just for the total, we have spent $22M out of a $77M budget. That's about 29.3%.

I'll just kind of give you an idea, we are tracking where out of this personnel portion of this budget, has spent 61% of this total $22M budget. In services, it's about $32M of it. As we go down and look at the right-hand corner where we're comparing actuals for 2021 to 2022 actuals, we can see that expenditures have increased in personnel. They're up about 13%. Services are up about 8% over last year. Supplies are up about 18%. Grants and claims are up over 65%. Miscellaneous transfers out, 14%. Capital outlay is up about 91%. One of the reasons is because departments are trying to purchase capital equipment in the capital—over in the County General Fund. We're having problems getting vehicles, so we started our vehicle and equipment purchases earlier this year, so that's one of the reasons the spending is up for capital outlay in 2022 versus 2021. The budgets were kind of similar. That is the reason we're up.

Tax Levy Funds	REVENUES *numbers in 000's* 2022 Amended Budget	2022 YTD Actual	% of Budget	EXPENDITURES *numbers in 000's* 2022 Amended Budget	2022 YTD Actual	% of Budget
City General Fund	$ 161,538	$ 47,604	29.5%	$ 161,908	$ 38,464	23.8%
City Bond & Interest	$ 38,230	$ 16,396	42.9%	$ 39,775	$ 8,722	21.9%
County General Fund	$ 75,002	$ 32,086	42.8%	$ 77,094	$ 22,596	29.3%
Cons. Parks General Fund	$ 7,313	$ 2,523	34.5%	$ 8,373	$ 1,455	17.4%
County Bond & Interest	$ 5,649	$ 2,296	40.6%	$ 6,107	$ 975	16.0%
Aging	$ 2,172	$ 1,000	46.1%	$ 2,231	$ 534	23.9%
Developmental Disabilities	$ 615	$ 302	49.1%	$ 598	$ 92	15.4%
Elections	$ 1,486	$ 780	52.5%	$ 1,641	$ 332	20.2%
Health	$ 3,489	$ 1,550	44.4%	$ 3,767	$ 926	24.6%
Mental Health	$ 718	$ 371	51.6%	$ 718	$ 177	24.7%
Total UG Tax Levy Funds	**$ 296,214**	**$ 104,910**	**35.4%**	**$ 302,213**	**$ 74,273**	**24.6%**

ALL UNIFIED GOVERNMENT TAX LEVY FUNDS

This current slide is a snapshot of the ten tax levy funds that includes the City and the County General funds. We have revenues on the left-hand side and expenditures on the right-hand side. One of the key things that we look to have on the revenues, we're looking to have like 25% of the revenue come in. If we have that amount, we show we're tracking well. On the expenditure side, looking to have like 25%--have only spent 25% or less in the expenditures.

One of the things we can see on the revenues, you can see most of the funds have had more than 25% of the revenues coming in. On the expenditure side, we can see all the funds are below 25%. This ideally is where we would like to be.

Other Funds	2022 Amended Budget	2022 YTD Actual	% of Budget	2022 Amended Budget	2022 YTD Actual	% of Budget
Alcohol	$ 696	$ 156	22.4%	$ 946	$ 136	14.4%
Clerk Technology	$ 60	$ 13	21.9%	$ 83	$ 13	15.9%
Court Trustee	$ 478	$ 107	22.4%	$ 678	$ 134	19.7%
Dedicated Sales Tax	$ 12,108	$ 3,091	25.5%	$ 15,998	$ 1,356	8.5%
Emergency Medical Services	$ 12,928	$ 3,145	24.3%	$ 14,376	$ 3,054	21.2%
Environmental Trust	$ 1,212	$ 289	23.8%	$ 1,245	$ 252	20.2%
Jail Commissary	$ 62	$ 13	20.7%	$ 100	$ 7	6.9%
Parks & Recreation	$ 696	$ 156	22.4%	$ 822	$ 63	7.7%
Public Levee	$ 376	$ 76	20.1%	$ 394	$ 82	20.8%
Register of Deeds Technology	$ 220	$ 53	23.9%	$ 160	$ 4	2.7%
Sewer System	$ 47,202	$ 11,381	24.1%	$ 48,216	$ 12,955	26.9%
Special Assets	$ -	$ -		$ 850	$ -	0.0%
Stadium	$ 695	$ 22	3.1%	$ 860	$ 31	3.6%
Stormwater	$ 5,764	$ 1,029	17.9%	$ 6,100	$ 1,279	21.0%
Street & Highway	$ 8,148	$ 1,738	21.3%	$ 9,606	$ 1,553	16.2%
Sunflower Hills Golf Course	$ 897	$ 84	9.3%	$ 932	$ 386	41.5%
Travel & Tourism	$ 3,854	$ 957	24.8%	$ 5,081	$ 429	8.4%
Treasury Technology	$ 60	$ 13	21.9%	$ 85	$ 21	24.6%
Wyandotte County 911	$ 955	$ 235	24.6%	$ 959	$ 113	11.8%
Total Other Funds	**$ 96,412**	**$ 22,557**	**23.4%**	**$ 107,490**	**$ 21,868**	**20.3%**
Total Funds	**$ 392,625**	**$ 127,467**	**32.5%**	**$ 409,702**	**$ 96,141**	**23.5%**
County Library	$ 3,572	$ 1,964	55.0%	$ 3,926	$ 1,964	50.0%
Total ALL Funds	**$ 396,198**	**$ 129,431**	**32.7%**	**$ 413,628**	**$ 98,106**	**23.7%**

This next slide, what we're doing is comparing 19 other funds that we have, which consist of Special Revenue funds and also our Enterprise Fund. They also include the County Library Fund, which is at the bottom. This is a non-UG fund, but it s a tax levy. We don't have any control over the spending there. These financials are set up where we have the revenues on the left-hand side of the page and the expenditures on the right-hand side of the page. Ideally, what we're looking for is the revenues to be over 25% at this point in time of the year when we ended the first quarter. And then with expenditures, we're looking to be below 25%.

As we can see, looking at the revenues, there are a good amount of revenues that have not reached 25% yet. This is because of the lag in some of the tax revenue being recognized. Also, on the expenditure side, we can see that we are under the 25% in most of the funds. We do have a couple of the funds—Sunflower Hills, they have spent 41% of their budget. One of the things they tried to do there is get ready for the upcoming golf season, so they spend a lot of their money upfront. Also, sewer system, it's about 1% over the 25%.

That concludes what Deb and I wanted to present. Are there any questions?

Chairman Burroughs said I think in short order if someone was to glance at these bottom numbers, some of them were 9 basis points under revenue. We're keeping our expenditures below the 25% in the majority of the expenditures column, and our revenue is exceeding expenditures at this time. We're only at the first quarter end. Second quarter will give us a better reflection as we requested earlier in the meeting. That's what I would come away with from looking at these figures with an aggregate amount. Would that be a fair statement? **Mr. Lindsey** said yes, that is.

Chairman Burroughs said thank you. Any other questions or comments, committee? Seeing none, as I stated, this was for information only. If there's no other questions or comments, I believe that concludes our Economic Development and Finance Standing Committee.

Action: **For information only.**

Public Agenda

No items

ADJOURN

Chairman Burroughs said at this time, I would entertain a motion and a second to adjourn.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Davis, to adjourn.**

Chairman Burroughs said we do have a motion and a second to adjourn. I would ask the Clerk to please call roll.

Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

The meeting was adjourned at 7:32 p.m.

cg