ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, September 12, 2022

The meeting of the Economic Development and Finance Standing Committee was held on Monday, September 12, 2022, at 5:01 p.m. The following members were present: Commissioner Burroughs, Chairman; Commissioners Davis, Townsend, Stites, McKiernan, and BPU Board Member Haley. The following officials were also in attendance: Katherine Carttar, Director of Economic Development; Patrick Waters, Deputy Chief Counsel; Andrea Vinyard, Deputy Treasurer; Kathleen VonAchen, Chief Financial Officer; Reginald Lindsey, Budget Director; Debbie Jonscher, Deputy Chief Financial Officer; Jeffrey Conway, Assistant Counsel; Monica Sparks, Acting UG Clerk; and Adelina Masingill and Tifani Portley, UG Clerk's Office.

Chairman Burroughs said before I call the meeting to order I do 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 your intent to provide remote, public comments by contacting the Clerk's Office by 5:00 the Thursday before the meeting. The public also will have an opportunity to provide brief comments by telephone or via Zoom from the 5th Floor Conference Room of the Municipal Office building.

Chairman Burroughs called the meeting to order. Roll call was taken and all members were present as shown above. There are no revisions to tonight's agenda.

Approval of standing committee minutes from April 4, 2022. **On motion of Commissioner Davis, seconded by Commissioner Stites, the minutes were approved as submitted**. Roll call was taken and there were five "Ayes," Davis, Townsend, Stites, McKiernan, Burroughs. BPU Board member Haley did not vote.

COMMITTEE AGENDA

Item No. 1 – 211935… RESOLUTION: RESOLUTION OF INTENT TO ISSUE INDUSTRIAL REVENUE BOND

Synopsis: Resolution of Intent to Issue Industrial Revenue Bonds not to exceed $25,000,000 for the Benefit of Sunflower Development Group, LLC (505 Central Avenue Project), submitted by Katherine Carttar, Director of Economic Development.

Chairman Burroughs said this takes us to our first item of business this evening, we do have a fairly brief agenda this evening. The first order of business is an action item, a resolution of Intent to Issue Industrial Revenue Bonds. We have Katherine Carttar this evening making the presentation. Please go ahead.

Katherine Carttar, Director of Economic Development said this is a continuation of the item we heard just about a month ago at the full commission for the 505 Central apartment complexes.

Commission Actions for 505 Central Project

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 Resolution of Intent to Issue IRB Sales Tax Exemption on Construction Materials	ED&F – Sept 12th (Commission – Sept 14th)
Public Hearing & Ordinance: Approve Project Plan Resolution of Intent to Issue IRB Sales Tax Exemption on Construction Materials	Commission – Oct 27th

As you recall, this is a fairly lengthy process, so these are the steps we have. Back on August 25th the development agreement as well as the TIF district were approved. In that development agreement, we went over a number of items specific to the project, including what the tax increment financing deal point looks like as well as an IRB tax exemption request for just construction materials.

What we have today, I can go through and remind everyone what this project looked like, but I feel like we spent quite a lot of time on it so I don't have to do that. But we have in front of you today are two resolutions. One is a resolution of intent to issue industrial revenue bonds sale tax exemptions on construction materials, again as discussed in the development agreement. The other is a resolution setting a public hearing date for October 27th on that public hearing date is when the second and final step of the TIF program gets voted on and that's actually the project plan. As you recall the district was put in place which kind of put the boundaries of that area and that has been approved, so there is now a TIF district. But to actually provide the incentive to that specific project in the terms we have discussed in the development agreement that requires the project plan.

Those are the two things. Again, we are not voting on the project plan tonight, we are setting the public hearing date. We ask that you also move forward resolution of intent to issue industrial revenue bonds. I will make one final note that to stay on half to have the public hearing on October 27, there are fairly lengthy notice provisions. It would be ideal if we could fast-track just the public hearing date resolution to this week and the others can go as normal. Any questions, happy to go into any other specifics with the project or these two resolutions.

Chairman Burroughs said members have any questions. Staff, do you see any hands up by community members?

Monica Sparks, Acting UG Clerk said no, there are no hands up.

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

Chairman Burroughs said gentlemen thank you before I move forward, I do want to ask if there are any other questions from the committee. If not, then I will recognize any members from the public or online who wish to address the committee.

Ms. Sparks said we have Rose Elits online. Ms. Elits go ahead.

Chairman Burroughs said you will have 3 minutes to make your comment.

Rose Elits, KCK Strawberry Hill, said that’s fine, it’s really kind of a question. I read through the packet that was for this meeting. On page, I think it’s 54, there’s some reference that makes it sound like the Unified Government is going to own this property. Did I misread that? I’m trying to find the exact location of that part.

Ms. Carttar said the way industrial revenue bonds work, the short answer is no the Unified Government will not own the property. Basically, what we do is we're providing the developer and we do this with any time you get sales tax exemption on construction bonds, it's kind of a quick pass through the Unified Government. We're providing them with kind of our tax exemption status for that time during the construction while they're purchasing those materials. Never does the Unified Government actually own the property, but there is some, Patrick may be able to explain better how that functions.

Patrick Waters, Deputy Chief Counsel said it used to be under the old law that you would actually take ownership while the bonds were outstanding, but the state legislature changed that. It's now a leaseback structure, which is purely a legal vehicle. Again, as Katherine said so that they can use our tax-exempt status, but we have no actual property interest in it. **Ms. Ellis** said okay would it make sense to reword that because that's sure how it reads.

Mr. Waters said I'm happy to talk with our bond Council for future resolutions if there's a way that we can clarify that. **Ms. Ellis** said okay thank you.

Ms. Sparks said no other hands are raised.

Chairman Burroughs said I will now recognize anyone in the audience who wishes to speak. You will be given three minutes. Let the record show nobody is present wishing to speak. With that we do have a motion and a second, I ask the clerk to call the roll.

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

Item No. 2 – 211933… RESOLUTION: A RESOLUTION SETTING A PUBLIC HEARING ON A REDEVELOPMENT PROJECT PLAN

Synopsis: Resolution setting a Public Hearing on a Redevelopment Project Plan for the 505 Central Avenue for October 27, 2022, submitted Katherine Carttar, Director of Economic Development.

Chairman Burroughs said that takes us to item number two and that's a resolution setting just the hearing in reference to the 505 Central Avenue Redevelopment project plan for October 27. This has been asked to be fast-tracked, as it was stated, to the September 15 full commission meeting. I believe Ms. Carter will make any other additional comments you have. **Ms. Carttar** said no other comments. **Chairman Burroughs** said any comments from the committee members?

Commissioner Davis said yeah just on that slide it says the 14th. **Ms. Carttar** said just whatever Thursday is. I appreciate that thank you.

Chairman Burroughs said any other comments or questions? Seeing none, I'd ask a clerk if there were any comments received from the public. **Ms. Sparks** said no comments were received.

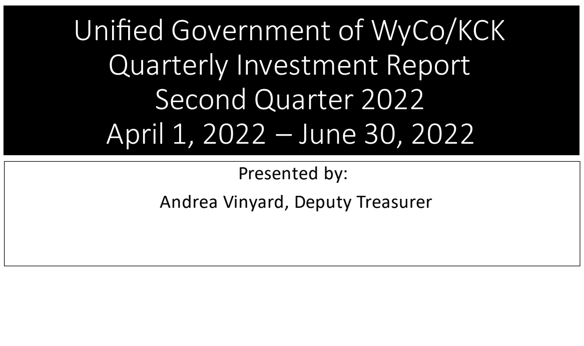
Chairman Burroughs said I just will ask if anyone present this evening in the audience would like to speak to the resolution. Let the record show no one has stepped forward. Again, this is just to set the public hearing for 505 Central. With that, I'd entertain a motion.

Action: **Commissioner Stites made a motion, seconded by Commissioner Davis, to approve and fast-track the resolution**. Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

Item No. 3 – 211818… REPORT: SECOND QUARTER 2022 CASH INVESTMENTS

Synopsis: Second Quarter 2022 Cash Investments Report, submitted by Andrea Vinyard, Deputy Treasurer.

Chairman Burroughs said those are our two action items. I believe this takes us to item number three which is our second-quarter 2022 Cash Investments and our Deputy Treasurer, Andrea Vinyard. This is for information only.



Key Metrics
- Avg Yield – .43%
- DTM – 143 days, down from 150 in Q1-2022

Portfolio Components
- Cash – 82%
- Invested – 18%

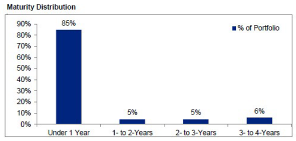
Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
June 30, 2022

Investment Summary - Aggregate Portfolio By Type of Investment

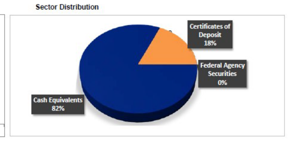
Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	$2,294,389	$2,294,389	$2,294,389	na		✓	-	0.25%
Cash Equivalents	$267,502,611	$267,502,611	$267,502,611	82%	100%	✓	-	0.25%
Total Liquidity	$267,502,611	$267,502,611	$267,502,611	82%			-	0.25%
Certificates of Deposit	$59,705,000	$59,705,000	$59,705,000	18%	100%	✓	786	1.21%
Federal Agency Securities	$0	$0	$0	0%	50%	✓	-	0.00%
Total Securities	$59,705,000	$59,705,000	$59,705,000	18%			786	1.21%
Total Portfolio	$327,207,611	$327,207,611	$327,207,611	100%			143	0.43%

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.

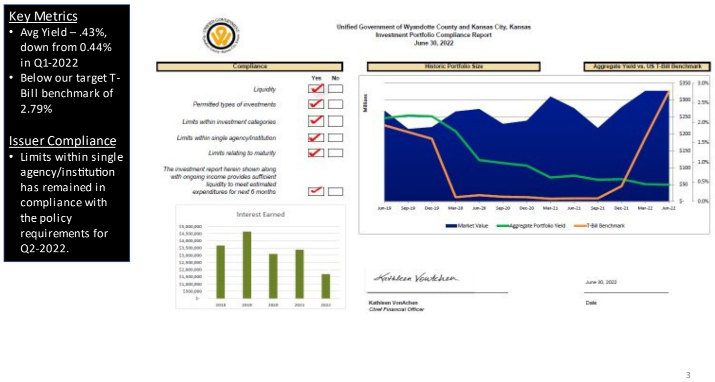
Maturity Distribution



Sector Distribution



Andrea Vinyard, Deputy Treasurer said this will be the quarter two 2022 investment report. First slide here just going to go over a few metrics. The average yield for that quarter was 0.43 and then days to maturity was at 143 days going down a little bit from quarter one of 2022. Of the portfolio we're sitting at 82 percent in cash, and then the rest would be Investments.



As stated in the last slide the yield was at 0.43 last quarter of quarter 21 or excuse me 22, quarter one was at 0.44 very small change. Still below our target t-bill rate, which was at 2.79 for that quarter. As always, I like to represent the compliance that we follow within our limits of our institution. In the past that was an issue, we've kept that under wraps for about the last three years which is a goal of ours. Still there as of quarter two under the limit.

Types of securities in our investment portfolio?

Of the $327 M total, $59.7 M or 18% - CDs fully collateralized per investment policy and State Statute & $0 US Agencies Securities.

Unified Government of Wyandotte County and Kansas City, Kansas
Investment Portfolio Compliance Report
June 30, 2022

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]	**2,294,389**	**2,294,389**	**na**	**See note 3**	✓	**0**	**0.25%**
UMB, Wyandotte Operating	263,907,611	263,907,611	81%	25%	✓	0	0.25%
UMB, Wyandotte Health	3,595,000	3,595,000	1%	25%	✓	0	0.00%
Cash Equivalents	**267,502,611**	**267,502,611**	**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	50,000,000	50,000,000	15%	25%	✓	773	0.77%
Security Bank of KC	9,235,000	9,235,000	3%	25%	✓	9	0.24%
Certificates of Deposit	**59,705,000**	**59,705,000**	**18%**		✓	**786**	**1.21%**
NA	-	-	0%	*50% of total*	✓	0	0.00%
NA	-	-	0.0%	*portfolio*	✓	0	0.00%
Federal Agency Securities	**-**	**-**	**0%**		✓	**0**	**0.00%**
Grand Total	**327,207,611**	**327,207,611**	**100%**			**143**	**0.43%**

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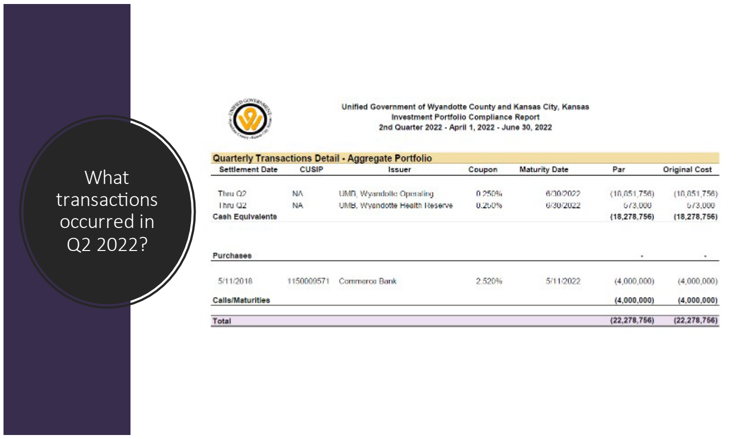
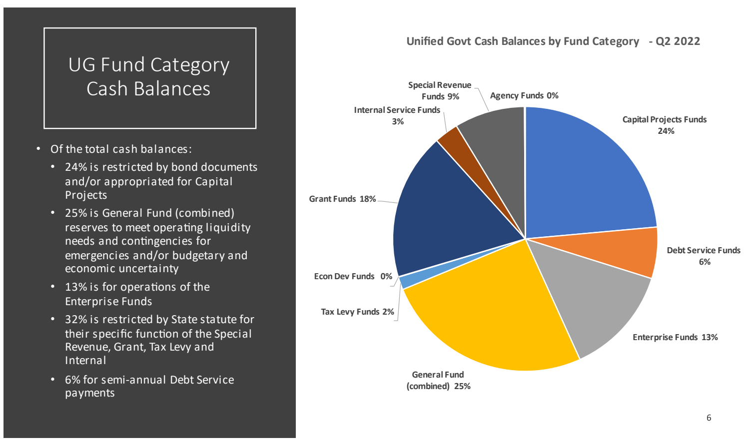
Of our portfolio, we have $327M. Of that, we are sitting at about 18% in CDs which comes to about $59M. In this quarter we still did not have any federal agency securities. The rest was in the cash for the overnight and the Health Reserve account.



Transactions from Quarter Two, we only had one. We did have a Commerce Bank CD mature in May, that would have been for $4M.



Last but not least, I'll quickly go over that as these two to my right and left will go a lot deeper into that here in the next item. The fund balance for cash for the 24% is in the bond documents capital projects. 25% of the general fund, then we've got 13% in the enterprise funds, carrying into 32% in restricted funds, such as the grant fund tax levy and internal fund. Then we have 6% sitting in the annual Debt Service payments fund. Actually, all I have.

Chairman Burroughs said thank you Andrea. Committee any questions?

I do have a question if I may, Andrea. I'm looking at page six how you broke it down to 24%-25% General Fund. There was a question the other day in reference to our reserves. To fund reserves and maybe I'm a little mistaken and I'm looking for some clarity, Debbie this may be towards you and Reggie also. When we were having a budget discussion the other night we talked about our reserves. We have two months' equivalent of reserves in our budget. and I thought it was on us to also have an additional month in emergency reserves. I was to understand that we don't have additional monthly emergency reserves.

Debbie Jonscher, Deputy Chief Financial Officer, said I'm trying to remember what we had. I think when we were looking at 2020, how we ended the year of 2021. I don't remember exactly what that percentage was, but I believe we had met the two-month reserve.

Reginald Lindsey, Budget Director, said the policy reads that it's mandatory that we try to keep the 17%. In ideal times we try to build up to the 25% when we can. We're not out of compliance if we don't have the 25% for the General Funds that is.

Chairman Burroughs said well when I look and I read this 25% general fund combined reserves operating liquidity, that's above the 17% that we have for two months. I was just curious if we have that third month funded for emergency purposes.

Ms. Jonscher said when we budget the reserve, which is the fund balance, that's the reserve that we're talking about. Here we're actually talking about the cash balance at the end of June 30^{th}. When we talk about the fund balance policy, we want it at the end of the year when everything's all ready to come in and all the expenses went out, we want still sitting in our account that 17% which is a two-month reserve. During the year those can fluctuate, you know when revenues come in and when they go out. Everything doesn't come in on a monthly basis, some of them come in equally on a monthly basis but there are other items interesting maybe seasonal, or you know like property tax. We get, you know, we probably have 90% or more of the property tax collected by the end of the second quarter. It can vary from month to month or quarter to quarter.

Commissioner Stites said this was a reflection obviously of quarter two at the end of quarter two. That 25% more than likely will not be the same at the end of quarter three, correct? **Ms. Jonscher** said that is correct.

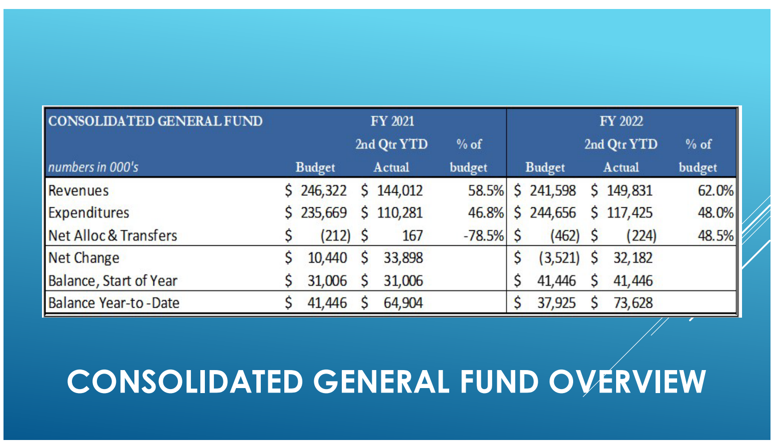
Chairman Burroughs said thank you for that clarification. Any other comments or questions? Seeing none, any comments from staff? As I stated this was for information only.
Do we have any remote comments from the public?

Ms. Sparks said no one has their hands raised.

Chairman Burroughs said anybody present wants to speak. Let the record show no one was present. Okay, thank you, Andrea. Appreciate it very much.

Item No. 4 – 211934…REPORT: SECOND QUARTER 2022 BUDGET VS. ACTUALS
Synopsis: Second Quarter 2022 Financial Performance Compared to Budget of the Unified Government, submitted by Kathleen VonAchen, Chief Financial Officer and Reginald Lindsey, Budget Director. *For information only.*

This takes us to Item #4, if I remember correctly that would be the second quarter budget to actuals. I believe we have Debbie and Reginald here this evening to present. This item is also for information only.

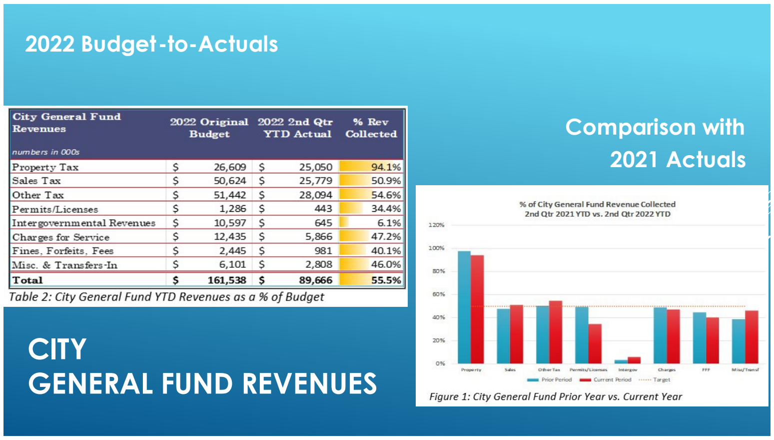


CONSOLIDATED GENERAL FUND	FY 2021			FY 2022		
numbers in 000's	Budget	2nd Qtr YTD Actual	% of budget	Budget	2nd Qtr YTD Actual	% of budget
Revenues	$ 246,322	$ 144,012	58.5%	$ 241,598	$ 149,831	62.0%
Expenditures	$ 235,669	$ 110,281	46.8%	$ 244,656	$ 117,425	48.0%
Net Alloc & Transfers	$ (212)	$ 167	-78.5%	$ (462)	$ (224)	48.5%
Net Change	$ 10,440	$ 33,898		$ (3,521)	$ 32,182	
Balance, Start of Year	$ 31,006	$ 31,006		$ 41,446	$ 41,446	
Balance Year-to-Date	$ 41,446	$ 64,904		$ 37,925	$ 73,628	

Debbie Jonscher, Deputy Chief Financial Officer, said and as you said tonight, we're here to report the second quarter budget to actual. We bring this information to the standing committee on a quarterly basis. I will be covering the revenues and then I will turn it over to Reginald Lindsey, our Budget Director, to cover the expenses.

This first one is just the Consolidated General Fund overview. Just a reminder the Consolidated General Fund includes the City General Fund, the County General Fund, and the Parks General Fund.

As you can see, this table is a comparison of second quarter year-to-date actuals. The first part of the graph shows the fiscal year 2021 and then the second half is fiscal year 2022. As you can see in 2021 at this point, we were at 58% collected on revenues, and for this year we're at 62%. On the expenditures, we're at 46.8% in 2021 and then we're at 48% for 2022. We started the year with the year-to-date fund balance I guess for the fiscal year 2022, we are at $73,628M.



City General Fund Revenues *numbers in 000s*	2022 Original Budget	2022 2nd Qtr YTD Actual	% Rev Collected
Property Tax	$ 26,609	$ 25,050	94.1%
Sales Tax	$ 50,624	$ 25,779	50.9%
Other Tax	$ 51,442	$ 28,094	54.6%
Permits/Licenses	$ 1,286	$ 443	34.4%
Intergovernmental Revenues	$ 10,597	$ 645	6.1%
Charges for Service	$ 12,435	$ 5,866	47.2%
Fines, Forfeits, Fees	$ 2,445	$ 981	40.1%
Misc. & Transfers-In	$ 6,101	$ 2,808	46.0%
Total	**$ 161,538**	**$ 89,666**	**55.5%**

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

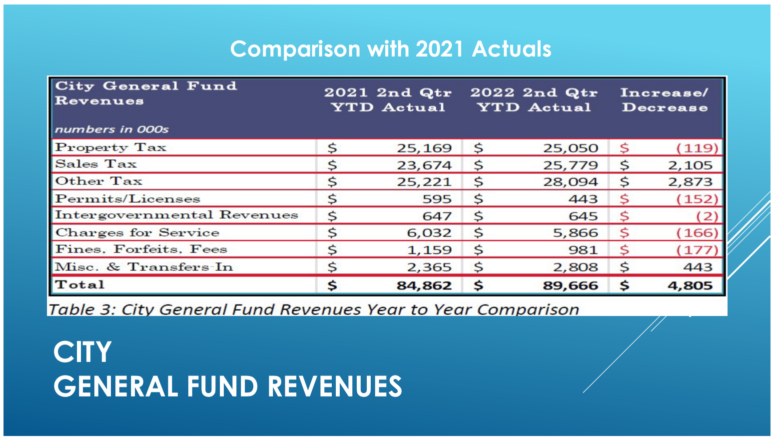
Figure 1: City General Fund Prior Year vs. Current Year

The next two graphs are going to be, I'm going to just talk specifically about the City General Fund. The first graph on your left shows the budget to actual and it breaks down all the different revenues for the City General Fund. Our total budget for 2022 was $161.5M. Year-to-date we have our revenues collected are $89.6M, with a total of 55.5%.

As I said with property tax by the end of the second quarter, we've collected the majority of the property tax. We're sitting at 94.1%, and for sales tax we're at 50.9%. Sales tax is currently tracking very close to right on budget.

Our Other Taxes which would include Franchise Taxes we're at 54.6%. The one that I'll just point out, the Intergovernmental Revenues you'll see is 6.1%. I do believe that the reason for that is Intergovernmental Revenues are where we had the ARPA revenue budgeted. If you recall this year, we did make an adjustment to the ARPA revenue. The amount that we had budgeted here I believe is still showing the total budget. That's why it's only showing at 6.1% because that lost revenue that's budgeted there does not have any expenses, or very little.

Charges for Service are at 47.2%. The largest category in this area is the Trash and Recycling, and then we've got Fines and Fees at 40% and Miscellaneous at 46%. The graph on your right just shows a comparison of 2021 to 2022. The blue is the prior year, the red is the current year and then the dotted line is the 50% mark showing where we would be. It just shows each one of these categories. It kind of aligns with the graph Property Tax is well above almost at 100%, and Sales and Other Taxes are right around 50% or a little bit higher. Any questions on either one of those?



City General Fund Revenues *numbers in 000s*	2021 2nd Qtr YTD Actual	2022 2nd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 25,169	$ 25,050	$ (119)
Sales Tax	$ 23,674	$ 25,779	$ 2,105
Other Tax	$ 25,221	$ 28,094	$ 2,873
Permits/Licenses	$ 595	$ 443	$ (152)
Intergovernmental Revenues	$ 647	$ 645	$ (2)
Charges for Service	$ 6,032	$ 5,866	$ (166)
Fines. Forfeits. Fees	$ 1,159	$ 981	$ (177)
Misc. & Transfers In	$ 2,365	$ 2,808	$ 443
Total	**$ 84,862**	**$ 89,666**	**$ 4,805**

Table 3: City General Fund Revenues Year to Year Comparison

Chairman Burroughs said does the committee have any questions in reference to the first part of the presentation?

David Haley, BPU Board member, said the question is for the revenues that are generated. Would the Payment-in-lieu-of-taxes be, I know that it was in reference, we did add the reference line to like the Trash Fees, but would that be along the line of this presentation, where that revenue is generated?

Ms. Jonscher said yes, the PILOT would show up in the Other Tax category. That's what you were asking? The trash fee, the residential trash fee, is under Charges for Service. The PILOT fee is under the Other Tax category.

Mr. Haley said okay and I'm sorry I'm using this Zoom I'm unable to see the chart (Inaudible) like one or the other. It's gone from me, but what is that line item if you could share that with us, please again.

Ms. Jonscher said the Other Tax category budget, the revenue budget was $51.4M. We currently collected a little over $28M at 54.6% and this would be the category that the PILOT would be under.

Mr. Haley said all right, so at some point subsequent will there be something that shows how those revenues collected for the PILOT would have been dispersed or everything just goes into hodgepodge into the City General Fund? Is that a fair statement? **Ms. Jonscher** said yes, the PILOT is deposited to the City General Fund. **Mr. Haley** said but it's collected for a specific purpose, is that not true? **Ms. Jonscher** said we are collecting the PILOT for, I mean it goes to offset expenses within the City General Fund. **Mr. Haley** said there's been some questions as to what the origin of the PILOT was intended to do and what it was to be applied to. I just didn't know.

Chairman Burroughs said Mr. Haley, if I may, I believe what your question initially was where is the PILOT reflected on the chart? If I understood staff correctly, it's in the category it says Other Tax, is that correct staff? Then it goes into the General Fund to be dispersed through wherever the staff says it needs to be set within the General Fund. I don't know if I understand your question fully, but I want to give staff a fair opportunity to understand the question, and to give you a fair response.

Ms. Jonscher said I was just going to say, when we deposit the PILOT, it doesn't go to a specific department or fund. It is used to pay operating expenses across the entire General Fund. So, you may have a department that collects a specific revenue, that would go back to a specific department, but for the PILOT, similar to the Sales Tax and the Property Tax, those are spread out to offset all General Fund expenses.

Mr. Haley said okay, thank you both, for that clarity. My understanding was that there was at its inception, the reason for the collection of the PILOT, was to be to offset a specific purpose and I'm getting some clarity that that's not the case. It is a General Fund initiative or General Fund revenue that comes back in. There is no reason from its inception that it would go back to alleviate a particular part of the city or of the county of the Unified Government's expenses. It could be anything.

Ms. Jonscher said that's my understanding, I don't know if Legal would have a different interpretation, but that's our understanding.

Mr. Haley said well thank you both for the clarity.

Commissioner Davis said I think what Senator Haley's getting at is something that I agree. I think we need more information on the origin of the PILOT because I think to this day there's not a clear answer on kind of where it originated from and what purpose it serves. I've heard that the PILOT is kind of this fee that offsets the cost of doing business between BPU and the Unified Government. I've also heard the PILOT is being used as a payment-in-lieu-of-taxes, that tax being property taxes on entities that do not pay taxes which would be BPU, it would be your non-profits, your churches, your educational institutions, and what have you. There’s a variety of definitions of the purpose, but this is collecting like $35M. I think it would be prudent upon us to get some answers on what the genesis, what the origin of it is, then what the legal language of the PILOT is that kind of backs it up. You don't have to get that now, but I think at some point at least to this committee if not to the full commission, that could be very helpful.

Ms. Jonscher thank you, okay, we can provide that.

Reginald Lindsey, Budget Director, said Commissioner Davis, I will answer some of your questions about the PILOT. Utility companies, they do collect the franchise tax. Since BPU is owned by the citizens, we don't have a franchise tax that we collect from them. Other utility companies that we collect the franchise tax from, they also have property within a county or city that they would reside in and you also get property tax from them for that. So, the PILOT is a way to help us collect a franchise tax and also recognize the property tax, and not saying that we have to do it or anything like that, but that is a way that PILOTS are used across the country.

Mr. Haley said I'm sorry, I don't - my screen has changed. I appreciate that clarity. This is greatly educational for me, and I appreciate Commissioner Davis helping me to try to better articulate my concern. I thought, or I think, that there is a franchise fee line item currently on the BPU bill independent of the PILOT. I'd have to go back, I don't have my bill or other bills in front of me. So there'd be more than one franchise fee, if that's the case of one being the PILOT or part of that and the other being the line item that speaks to a fee of franchise fee? **Chairman Burroughs** said David, is that a question to staff?

Mr. Haley said whomever, and again this is for informational purposes tonight. Mr. Chair I don't want to belabor this with that one issue, but I do hope that at some point in time, because there's a general question and concern among the public as to what the PILOT is, how long it's supposed to be extracted, if there is a shelf life for the PILOT, how is it applied when it goes into the General Fund, what does it offset. These are questions, I'll just say that I may be alone, but that I've heard from within our tax base. I don't know if there's a better time to ask it. This may not be the appropriate time, but I would hope that at some point in time we can get some clarity on those questions. **Chairman Burroughs** said thank you, Mr. Haley.

Commissioner Stites said, Senator Haley, I totally agree with you. This is a tax that really is just another way to generate funds for the City General Fund. We have Edwardsville, we have Bonner Springs paying into that fun. It doesn't go into a county fund, it goes into a Kansas City, Kansas fund. I do think that we need to look at how we eliminate this PILOT, that is just another source of revenue put on the backs of our taxpayers. If we need to look at it, I appreciate the way that it’s framed. We need to find out why it was created, how long, and what the purpose was. I'm in favor of eliminating it totally.

Chairman Burroughs said any other comments before we move on with the presentation. Reggie, thank you for that overview, I know that I think one of our presentations last week talked about the average pilot by utility companies. There was a certain percentage, I want to say it was like 5-7% and we are at 11.5-11.9%. I think that was some of the question-reasoning behind the question. Thank you for that comment and could you come back with that average again for us in reference to the information that Commissioner Davis and Haley and Stites requested?

Commissioner Stites said and here's what I want to say also, I believe it has a cap at 15%. So, there's still room for this thing can go up even more.

Ms. Jonscher said I believe you are correct. I believe the resolution states between 5-15 percent.

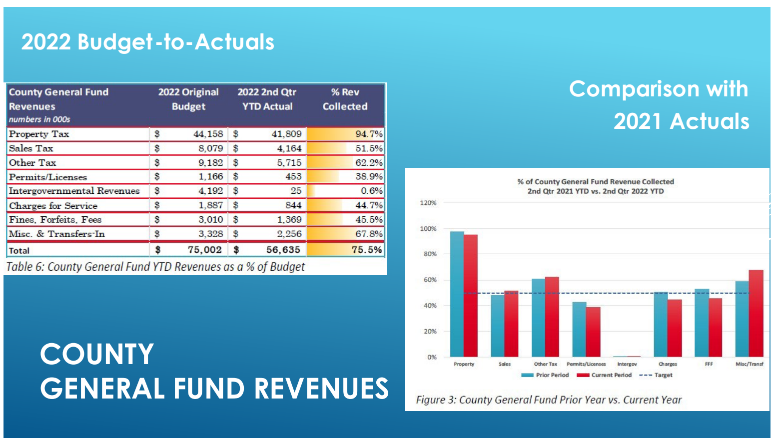
Chairman Burroughs said thank you, okay seeing no other comments, no hands anything like that please continue.

With the City a little ahead of themselves, it's 5 basis points ahead of our 50% mark for the second quarter. That's good news. One other question, if I may, the property taxes at 94.1%, when will the second tranche of the property tax come in? Is it in December?

Ms. Jonscher said the two largest distributions have already occurred, the January and June are the largest. Then we have a small March distribution, as well as there's a September and an October distribution.

Chairman Burroughs said we anticipate that 94.1 percent could be well over 100 probably, 105%. **Ms. Jonscher** said right, the remaining collections would be I believe, well the September collection would be, anything once when they're processing the distribution, there's a cut-off date. So, any payments that came in after that cut-off date are processed on the next distribution. Then usually the final distribution in October is usually a just delinquent collection, it's usually small.

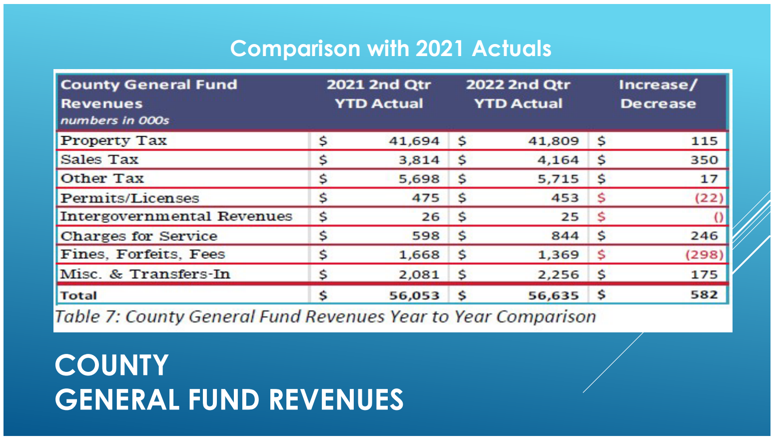
Chairman Burroughs said okay that's good news for the city budget, as you well know it's been quite the challenge this year. Thank you.



Ms. Jonscher said this next slide is just some more information comparison from 2021 second quarter year-to-date actuals to 2022. As you can see for the second quarter, we're actually $4.8M, we've collected $4.8M more in 2022 than we did in 2021.

The next two slides are the County General Fund. The same information that I presented for the City. You will see that the graph on the left shows all of the revenues for the County General Fund in detail. We have a total of $75M budgeted and currently for the second quarter we are at $56.6M. We've collected on average 75.5%.

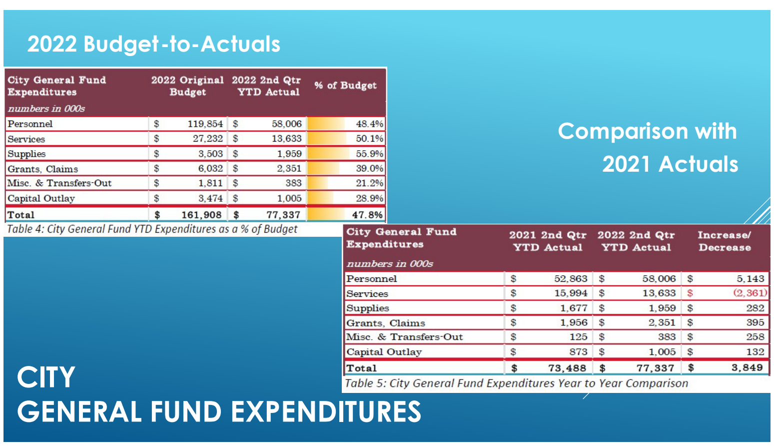
Property Tax again is at 94%, Sales Tax is 51%. The Other Tax, which for the County General Fund would include Motor Vehicle, as well as any IRB, and that was also on the City also but that's at 62%. Charges for Service are is 44.7%, and Fines and Fees are at 45%. Then the graph just shows each one of those categories comparing to the prior year. Once again, the blue is the prior year, the red is the current year, and the dotted line is the target of 50 percent for the second quarter.



County General Fund Revenues *numbers in 000s*	2021 2nd Qtr YTD Actual	2022 2nd Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 41,694	$ 41,809	$ 115
Sales Tax	$ 3,814	$ 4,164	$ 350
Other Tax	$ 5,698	$ 5,715	$ 17
Permits/Licenses	$ 475	$ 453	$ (22)
Intergovernmental Revenues	$ 26	$ 25	$ ()
Charges for Service	$ 598	$ 844	$ 246
Fines, Forfeits, Fees	$ 1,668	$ 1,369	$ (298)
Misc. & Transfers-In	$ 2,081	$ 2,256	$ 175
Total	**$ 56,053**	**$ 56,635**	**$ 582**

Table 7: County General Fund Revenues Year to Year Comparison

This last one just shows another comparison. We are pretty close to where we were last year with collections, as you can see for the total between 2021 and 2022, we've collected $582,000 more in 2022 than we did at the same time last year now. I'm going to turn this over to Reginald Lindsey.



City General Fund Expenditures *numbers in 000s*	2022 Original Budget	2022 2nd Qtr YTD Actual	% of Budget
Personnel	$ 119,854	$ 58,006	48.4%
Services	$ 27,232	$ 13,633	50.1%
Supplies	$ 3,503	$ 1,959	55.9%
Grants, Claims	$ 6,032	$ 2,351	39.0%
Misc. & Transfers-Out	$ 1,811	$ 383	21.2%
Capital Outlay	$ 3,474	$ 1,005	28.9%
Total	**$ 161,908**	**$ 77,337**	**47.8%**

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

City General Fund Expenditures *numbers in 000s*	2021 2nd Qtr YTD Actual	2022 2nd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 52,863	$ 58,006	$ 5,143
Services	$ 15,994	$ 13,633	$ (2,361)
Supplies	$ 1,677	$ 1,959	$ 282
Grants, Claims	$ 1,956	$ 2,351	$ 395
Misc. & Transfers-Out	$ 125	$ 383	$ 258
Capital Outlay	$ 873	$ 1,005	$ 132
Total	**$ 73,488**	**$ 77,337**	**$ 3,849**

Table 5: City General Fund Expenditures Year to Year Comparison

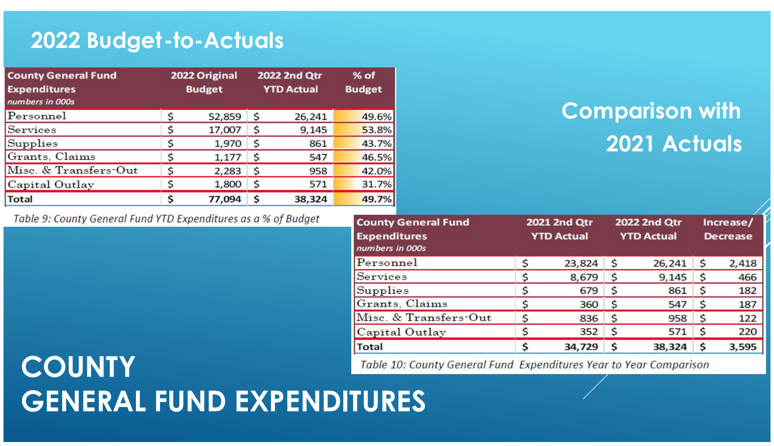
Reginald Lindsey, Budget Director, said the first expenditures that we're going to look at are the City General Fund. In the top right-hand corner, the view we have we're looking at the 2022 budget as it compares to the actuals that we have in the second quarter of 2022. A good rule of thumb is we should be below 50% on our expenditures. We can see in Personnel that we are at 48%. In Services we are right at 50%. Supplies we're at 55% and then some of the things that are for them from Supplies here are like our utility bills. Also, our fuel and also our parts and supplies and those costs have been up and that's one of the reasons we are up over that budget, that we have spent about 60% almost.

The next category is the Grants and Claims and then Miscellaneous Transfers In and Out and then we have Capital Outlay that is at 28%. One of the reasons Capital Outlay hadn't been spent at the 50% level is because a lot of our capital projects go on during the warm weather months and we also had the cyber incident so some of the projects are not tracking as fast as they traditionally have. That's one of the reasons Capital Outlay is at about 30%.

In the next chart down here in the bottom from the right-hand corner is a comparison that last year's second-quarter actuals, so we're comparing 2021 and 2022. We can kind of see where Personnel is up about 10% compared to last year. Then our Services are actually down compared to last year.

One of the things going on there is actually the budget, so just some things aren't happening because of the cyber incident, and some of the contractual expenditures that need to be spent just hadn't been spent yet.

Then Supplies are up about 20%. Then our Capital Outlay is up about 62% compared to last year. One of the reasons is that our budget was a larger one compared to last year's budget, so that's one of the reasons for that.



County General Fund Expenditures *numbers in 000s*	2022 Original Budget	2022 2nd Qtr YTD Actual	% of Budget
Personnel	$ 52,859	$ 26,241	49.6%
Services	$ 17,007	$ 9,145	53.8%
Supplies	$ 1,970	$ 861	43.7%
Grants, Claims	$ 1,177	$ 547	46.5%
Misc. & Transfers-Out	$ 2,283	$ 958	42.0%
Capital Outlay	$ 1,800	$ 571	31.7%
Total	**$ 77,094**	**$ 38,324**	**49.7%**

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

County General Fund Expenditures *numbers in 000s*	2021 2nd Qtr YTD Actual	2022 2nd Qtr YTD Actual	Increase/ Decrease
Personnel	$ 23,824	$ 26,241	$ 2,418
Services	$ 8,679	$ 9,145	$ 466
Supplies	$ 679	$ 861	$ 182
Grants, Claims	$ 360	$ 547	$ 187
Misc. & Transfers-Out	$ 836	$ 958	$ 122
Capital Outlay	$ 352	$ 571	$ 220
Total	**$ 34,729**	**$ 38,324**	**$ 3,595**

Table 10: County General Fund Expenditures Year to Year Comparison

Chairman Burroughs said, actually, before we move forward are there any questions from the committee in reference to the 2021-2022 City General Fund, actuals, budget to actuals?

Mr. Lindsey said, the top right-hand corner County General Fund expenditures comparison of the chart here. We're looking at the 2022 original budget and comparing it to what we have spent so far on year-to-date actuals through the 2nd quarter of 2022. A good rule of thumb, here again, is we're looking to be under 50% on expenditures. We can see that out of the six categories we have spent almost 50% which is a good thing as far as we aren't over budget.

One of the categories where we have spent more than 50% is Services. This is related to funding that we paid out for the cyber incident. Just contractual services that we had to contract out. Then our Supplies were at about 43%. Our Grants and Claims are at 46% and then Miscellaneous Transfers are at 42%, then our Capital Outlay is at about 31%.

If we compare it to last year's budget down in the right-hand corner, 2021 2nd Quarter compared to 2022 2nd Quarter, we can see that we're about 10% above what we spent last year, and then Services we're about 5% above. Then we have our supplies where we're about 52% above. All in all, the budget we've ended up spending about 10% more than we did last year. Any questions about any spending in the County General Fund?

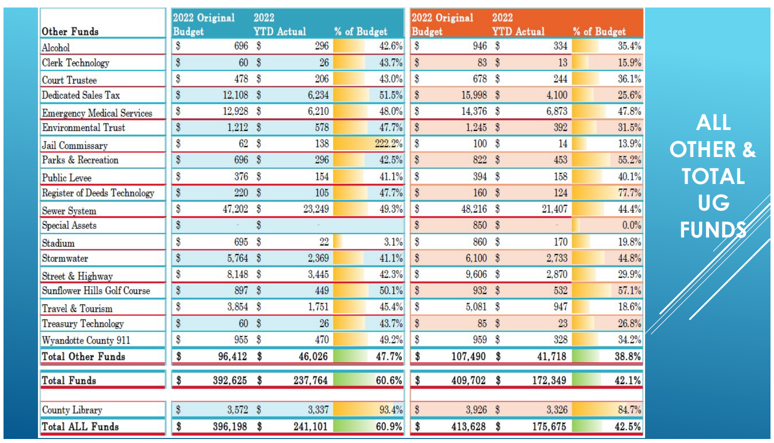
Chairman Burroughs said I'll just state that it's always good to see our expenses, expenditures below our revenues. It looks like we're right on target with the expenditures on the county side. That's not a bad thing and actually, we're below expenditure on the city at this particular time too, if I'm reading that correctly. **Mr. Lindsey** said yes. **Chairman Burroughs** said that's good news as we move into the budget. Any other questions/comments from the committee? **Mr. Lindsey** said there are a couple of more slides. **Chairman Burroughs** said I thought you were wrapping up. I'm sorry.

	REVENUES *numbers in 000's*					EXPENDITURES *numbers in 000's*				
Tax Levy Funds	2022 Original Budget		2022 YTD Actual		% of Budget	2022 Original Budget		2022 YTD Actual		% of Budget
City General Fund	$	161,538	$	89,666	55.5%	$	161,908	$	77,337	47.8%
City Bond & Interest	$	38,230	$	29,372	76.8%	$	39,775	$	6,872	17.3%
County General Fund	$	75,002	$	56,635	75.5%	$	77,094	$	38,324	49.7%
Cons. Parks General Fund	$	7,313	$	4,658	63.7%	$	8,373	$	3,116	37.2%
County Bond & Interest	$	5,649	$	4,051	71.7%	$	6,107	$	1,038	17.0%
Aging	$	2,172	$	1,737	79.9%	$	2,231	$	994	44.5%
Developmental Disabilities	$	615	$	522	84.9%	$	598	$	243	40.7%
Elections	$	1,486	$	1,318	88.7%	$	1,641	$	568	34.6%
Health	$	3,489	$	3,148	90.2%	$	3,767	$	1,843	48.9%
Mental Health	$	718	$	632	88.0%	$	718	$	295	41.1%
Total UG Tax Levy Funds	**$**	**296,214**	**$**	**191,738**	**64.7%**	**$**	**302,213**	**$**	**130,631**	**43.2%**

ALL UNIFIED GOVERNMENT TAX LEVY FUNDS

Mr. Lindsey said this current slide is a comparison of our other tax levy funds that do include the City General Fund and the County General Fund. On the left-hand side of the page we're comparing revenue. On the right-hand side of the page we're comparing expenditures. One of the rules of thumb is we're looking for revenues to be above 50% and expenditures to be below 50%. We can see the total UG Tax Levy Funds are at about 64%. We have collected more than 50% here, so that is a good thing.

Then over on the expenditure side, we can see overall the UG Tax Levy Fund, the whole category, about 43% of the budget has been spent, and none of them is over 50%. Any questions about any of those Tax Levy Funds? **Chairman Burroughs** asked any questions/comments. You look at these numbers they're not bad numbers, to review at first halfway through the year.



Other Funds	2022 Original Budget	2022 YTD Actual	% of Budget	2022 Original Budget	2022 YTD Actual	% of Budget
Alcohol	$ 696	$ 296	42.6%	$ 946	$ 334	35.4%
Clerk Technology	$ 60	$ 26	43.7%	$ 83	$ 13	15.9%
Court Trustee	$ 478	$ 206	43.0%	$ 678	$ 244	36.1%
Dedicated Sales Tax	$ 12,108	$ 6,234	51.5%	$ 15,998	$ 4,100	25.6%
Emergency Medical Services	$ 12,928	$ 6,210	48.0%	$ 14,376	$ 6,873	47.8%
Environmental Trust	$ 1,212	$ 578	47.7%	$ 1,245	$ 392	31.5%
Jail Commissary	$ 62	$ 138	222.2%	$ 100	$ 14	13.9%
Parks & Recreation	$ 696	$ 296	42.5%	$ 822	$ 453	55.2%
Public Levee	$ 376	$ 154	41.1%	$ 394	$ 158	40.1%
Register of Deeds Technology	$ 220	$ 105	47.7%	$ 160	$ 124	77.7%
Sewer System	$ 47,202	$ 23,249	49.3%	$ 48,216	$ 21,407	44.4%
Special Assets	$ -	$ -		$ 850	$ -	0.0%
Stadium	$ 695	$ 22	3.1%	$ 860	$ 170	19.8%
Stormwater	$ 5,764	$ 2,369	41.1%	$ 6,100	$ 2,733	44.8%
Street & Highway	$ 8,148	$ 3,445	42.3%	$ 9,606	$ 2,870	29.9%
Sunflower Hills Golf Course	$ 897	$ 449	50.1%	$ 932	$ 532	57.1%
Travel & Tourism	$ 3,854	$ 1,751	45.4%	$ 5,081	$ 947	18.6%
Treasury Technology	$ 60	$ 26	43.7%	$ 85	$ 23	26.8%
Wyandotte County 911	$ 955	$ 470	49.2%	$ 959	$ 328	34.2%
Total Other Funds	**$ 96,412**	**$ 46,026**	**47.7%**	**$ 107,490**	**$ 41,718**	**38.8%**
Total Funds	**$ 392,625**	**$ 237,764**	**60.6%**	**$ 409,702**	**$ 172,349**	**42.1%**
County Library	$ 3,572	$ 3,337	93.4%	$ 3,926	$ 3,326	84.7%
Total ALL Funds	**$ 396,198**	**$ 241,101**	**60.9%**	**$ 413,628**	**$ 175,675**	**42.5%**

Mr. Lindsey said the current slide is a view of our other special revenue tax funds and there are about 19 funds here. The blue column, which is on the left-hand side of the revenues, and then an orange shading column is our expenditures. We should be tracking below 50% of revenues. Again, we should be tracking over 50%. We can kind of see down looking at total funds we're at about 60%.

Then if we go over the expenditures, we see that the total funds are at about 42%. We do have a couple of funds that have spent more than 55%. Parks and Recreation being one of them, also, the Register of Deeds Technology Fund. One of the things that happens is the Register of Deeds Technology Fund, they do encumber their funding for contracts for their computer software early in the year so that's referenced there.

Then, one thing is Parks. They start to get ready for the park season, so they do start to spend some of their money a little bit earlier, so that's why they would be over by a little bit, and the same thing down here with Sunflower Hills. They are over the 50%, they're 57% so they do spend the bulk of their money within the warm weather That is why they have spent more than the 50%.

Commissioner Stites said so obviously the one that sticks out on this chart would be the one that says Jail commissary that's at 222.2%. I mean what, why is that so out of whack? **Mr. Lindsey** said this is basically, they definitely have brought in more revenue than we have forecasted. I don't know right off what the reason is. It could be that our forecast is low there. This is something we probably do need to check. **Commissioner Stites** said how does that compare to 2021's forecast in that category? **Mr. Lindsey** said you know, I don't know that right off. I don't know that for Jail Commissary right off.

Chairman Burroughs said Reggie help me understand, I'm going back looking at the revenues and expenditures on this item here, and down at the bottom I see 413,000, or I'm assuming that's $413M, and then $396M on the revenue side. Are we projected to spend $23 more million than what you see at the bottom. Am I reading that wrong?

Mr. Lindsey said currently that is the forecast and how we built that budget in 2022. One thing I will add is that with all those funds that we are spending on the expenditure side, there was a fund balance to build those budgets at those amounts.

Chairman Burroughs said am I to understand that ARPA is on this revenue side?
Ms. Jonscher said that is correct. **Chairman Burroughs** said it would also show up on the expenditure side if it has been spent. **Ms. Jonscher** said yes, that's correct.

Chairman Burroughs said okay because that could be why there's a variance in numbers at first blush. But I'm looking at, we're 42.5% of expenditures, but yet we're at 60 almost 61% of revenue. That's a 20% difference or a 19-basis points difference, if I'm reading that correctly I just want to ensure that we're tracking not to bust this budget, but if we're ahead in revenues we should be able to with the limited expenses that I have seen in the earlier projections, at the very least become revenue neutral.

Ms. Jonscher said I will just note with the ARPA funds, those were split out to all the different funds but the majority of that was within the City and County General Funds.

Chairman Burroughs said great thank you. Any questions from other committee members? Any questions from staff or any other comments?

Thank you this is important information as we go into the budget just next week. Thank you for your patience with this commission in reference to the questions they posed to you. We appreciate it very much.

That is again for information only. I believe that there are no other initiatives or subject matter before the committee this evening. That does conclude the Economic Development Finance Standing Committee. At this time I would entertain a motion to adjourn.

Action: **Commissioner Davis made a motion, seconded by BPU Board Member Haley to adjourn**. Roll call was taken and there were six "Ayes," Haley, Davis, Townsend, Stites, McKiernan, Burroughs.

PUBLIC AGENDA

No items.

ADJOURN

Meeting was adjourned at 5:51 p.m.

BM