

STATE OF KANSAS)
WYANDOTTE COUNTY)) SS
CITY OF KANSAS CITY, KS)

REGULAR SESSION
THURSDAY, JUNE 9, 2016

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in regular session Thursday, June 9, 2016, with eleven members present: Bynum, Commissioner At-Large First District; Walker, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District (via conference call); Murguia, Commissioner Third District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Holland, Mayor/CEO, presiding. The following officials were also in attendance: Doug Bach, County Administrator; Ken Moore, Chief Legal Counsel; Bridgette Cobbins, Unified Government Clerk; Joe Connor and Gordon Criswell, Assistant County Administrators; George Brajkovic, Economic Development Director; Marlon Goff, Urban Redevelopment Manager; Kathleen VonAchen, Chief Financial Officer; Rick Mikesic, Accounting Manager; Emerick Cross, Commission Liaison; Susan Alig, Patrick Waters, Legal Dept.; Maureen Mahoney, Asst. to Mayor/Chief of Staff; Kathleen Briney, Interim County Appraiser; and Major Curtis Nicholson, Sergeant-at-Arms.

MAYOR HOLLAND called the meeting to order.

ROLL CALL: Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum, Holland.

INVOCATION was given by Reverend Cynthia Smart of Mason Memorial United Methodist Church.

Mayor Holland asked if there were any revisions to the agenda. **Bridgette Cobbins, UG Clerk,** said a blue sheet has been distributed. Under the Administrator's Agenda, we have a new item, Item No. 3 – a resolution for the acceptance of the Historic Preservation Fund Grant.

CONSENT AGENDA

Mayor Holland asked if there were any set-asides on the Consent Agenda. There were none.

Action: Commissioner Kane made a motion, seconded by Commissioner Walters, to approve the Consent Agenda. Roll call was taken and there were ten “Ayes,” Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

ITEM NO. 1 – 16589...APPROVAL: 2017 CDBG GRANT APPLICATION RECOMMENDATIONS

Synopsis: Recommend funding the following with 2017 CDBG funds, submitted by Wilba Miller, Community Development Director.

Public services:

- Mt. Carmel for the Willa Gill Center operations - \$148,000
- Liveable Neighborhoods for operations & administration - \$20,000
- Wyandotte Homeless Services Coalition (WHSC) for continuum of care management - \$52,575
- Doing Real Work for court advocacy services - \$50,000

Public facilities & improvements:

- Bethel Neighborhood Center for the 7th St. entryway - \$131,000
- Mt. Carmel to assist in the renovation of eight transitional housing units - \$111,100
- UG Public Works Sidewalks/ADA ramps in the Stony Point area - \$58,000

On May 23, 2016, the Administration and Human Services Standing Committee, chaired by Commissioner Markley, voted unanimously to approve and forward to full commission.

Action: Commissioner Kane made a motion, seconded by Commissioner Walters, to approve. Roll call was taken and there were ten “Ayes,” Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

ITEM NO. 2 – MINUTES

Synopsis: Minutes from regular sessions of April 28 and May 5, 2016.

Action: Commissioner Kane made a motion, seconded by Commissioner Walters, to approve. Roll call was taken and there were ten “Ayes,” Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

ITEM NO. 3 – WEEKLY BUSINESS MATERIAL

Synopsis: Weekly business material dated May 26 and June 2, 2016.

Action: Commissioner Kane made a motion, seconded by Commissioner Walters, to receive and file. Roll call was taken and there were ten “Ayes,” Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

PUBLIC HEARING AGENDA

ITEM NO. 1 – 16641...PUBLIC HEARING/ORDINANCES: RAINBOW VILLAGE TIF PROJECT PLAN AND DEVELOPMENT AGREEMENT, RAINBOW VILLAGE CID, 2005 ROSEDALE MASTER PLAN

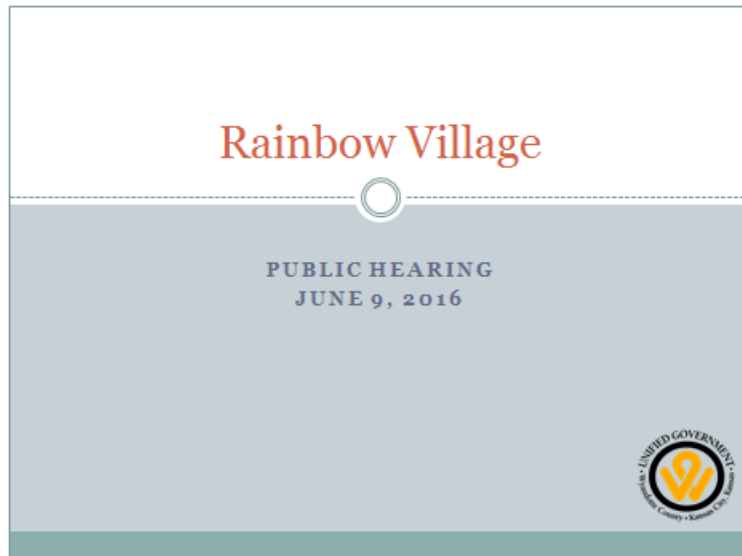
Synopsis: Request the following actions in connection with Rainbow Legacy Investors, LLC’s proposal to construct an 89-bed hotel project and related site improvements at the NW corner of 34th & Rainbow Blvd., submitted by Marlon Goff, Economic Development.

- Conduct a public hearing to consider an ordinance adopting the TIF project plan and development agreement for the Rainbow Village Redevelopment District, and conduct a public hearing to consider an ordinance creating the Rainbow Village Community Improvement District (CID).
- Approve an ordinance affirming the adoption of the 2005 Rosedale Master Plan previously approved by the full Commission.
- Approve an ordinance adopting the TIF project plan and development agreement for the Rainbow Village Redevelopment District.
- Approve an ordinance adopting the Rainbow Village CID.

On April 14, 2016, the Commission adopted Resolution No. R-38-16 and Resolution No. R-39-16, setting the public hearing dates for the TIF project plan and CID to May 26, 2016. The May 26th public hearings were opened and continued until June 9, 2016.

Doug Bach, County Administrator, said we’re excited to bring forward a project tonight that we’ve been working on since the end of last year. This is a project that sets forth that calls for some redevelopment in this area; bring about a new hotel in this area. We’re going to look at a public hearing tonight followed by a few different actions that would come forward if the Commission is so inclined.

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Marlon Goff, Economic Development, said I want to acknowledge members of the staff who worked really closely with us over the last several months on this project: Patrick Waters, Legal Dept.; Kathleen VonAchen and her staff, specifically Alyse Villarreal. Also here tonight are members from the development group: Hunter Harris with Lane4 Property Group, and Korb Maxwell and Kevin Lee with Polsinelli Law Firm.

Project Calendar		
Date	Committee	Action
11/9/15	ED&F Standing Committee	Presentation and discussion of district plan proposal
11/12/15	Full Commission	Resolution setting a public hearing on 12/17/15
12/17/15	Full Commission	<ul style="list-style-type: none"> ➤ Public Hearing ➤ O-72-15 Established redevelopment district.
4/4/16	ED&F Standing Committee	Presentation of TIF project plan and development agreement terms
4/6/16	U.G. Clerk	Petition to establish Community Improvement District is filed by developer.
4/11/16	Planning Commission	TIF Project Plan and land use conformance
4/14/16	Full Commission	Resolution setting public hearings on 5/26/16 ➤ TIF Project Plan, CID Petition
5/26/16	Full Commission	Continued to June 9, 2016
6/9/16	Full Commission	Conduct Public Hearings ➤ TIF Project Plan, D.A., CID ➤ Ordinances (Master Plan, TIF Project Plan & CID)

As we get started with Rainbow Village, I thought it would be good to take a look back and show some of the previous Commission actions we've had with this project starting with the approval of the district plan in December of last year and then the continuation of tonight's public hearing from May 26th.

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Project Overview

Ordinance O-72-15 - Established the Rainbow Village Redevelopment District.

Project Scope:

Developer: [Rainbow Legacy Investors, LLC](#)
 Location: [34th & Rainbow Blvd \(2 acre site\)](#)

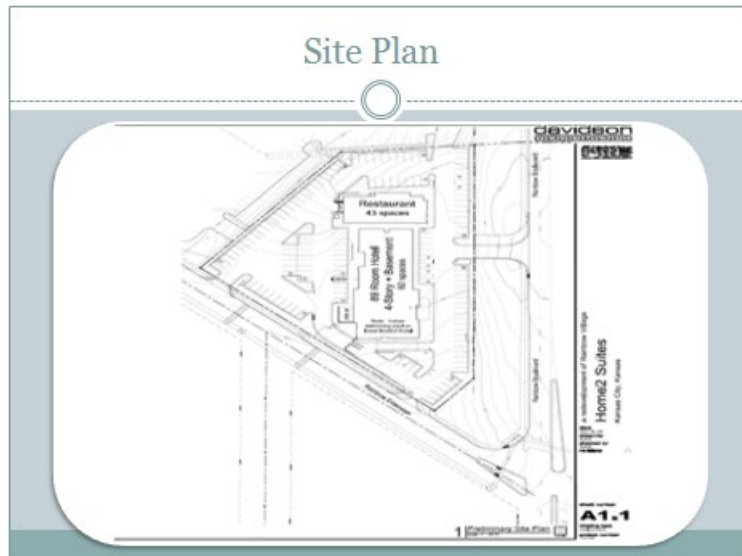
- × 89 - Room Hotel Project
 - Site demolition and clearance of existing center.
 - Applebee's restaurant will remain in place and be adjacent to new hotel.
- × \$16.8 M total project costs
- × Jobs Summary:
 - (35) Construction phase
 - (25) Permanent positions (hotel)
 - (30) Retained (Restaurant)

As we stated earlier, there are a couple of different actions that are before you in the form of ordinances. But to start, a quick overview of the project; an 89-room Extended Stay Hotel represents a \$16.8M investment. Essentially the hotel would then become a co-anchor for this mixed-use center along with the existing Applebee's restaurant.

Below is a breakout of the job summary also proposed.



This satellite image we see looking north. We see 7th St. Twfy. intersects with Southwest Blvd., which from a traffic count is one of the busiest intersections in our city. The outlined parcel before you is roughly a two-acre site. Most of those improvements were constructed as far back as 1987.



Here is a conceptual civil engineering site plan prepared for this site. You can kind of see how the new hotel improvement would be situated on that parcel.



This is a conceptual rendering that the developer has provided for the proposed hotel product.

Sources & Uses			
Sources		Uses	
Private Equity	\$2,955,400	Land Acquisition	\$4,000,000
Private Debt	\$9,994,204	Project Hard Costs	9,424,500
Incentives	\$3,947,845	Project Soft Costs	\$2,857,781
- TIF	\$1,374,615*	Contingency	\$615,168
- CID	\$629,924*		
- TGT	\$1,943,306*		
Total Sources	\$16,897,449	Total Uses	\$16,897,449

* Figures represent the NPV of each incentive category for calculation of bond proceeds

The next series of slides will essentially outline the business case that we've been working on for this project. Highlighted in blue essentially represents the net present values for the three different incentive streams that we have proposed to help finance this project.

Development Agreement Terms	
Incentive Tool	Revenue Pledged
Property Tax Increment (TIF)	\$2M Cap - Eligible Project Costs
Transient Guest Tax (TGT)	TGT Revenue (88.55% of UG share)
Community Improvement District (CID)	CID Tax Rate 1.25%

Key Terms:

- City & County sales tax not pledged
- Property tax increment:
 - (Years 1-11 = 100%)
 - (Years 12-20 = 75%)
- \$2M cap for TIF eligible hard project costs paid from incremental real estate taxes.
- Percentage of transient guest tax revenues retained by U.G.
- Conditional requirements to maintain certain class hotel franchise.
- Financing structure: Spec. Obligation Bonds and/or Pay-As-You-Go
- IRB sales tax exemption for construction materials.
- L/M/W participation goals

Some additional details highlighted in the project plan and the development agreement, specifically, we're showing a \$2M cap on the eligible project costs as well as the percentage share of the Transient Guest Tax revenues that will be generated for this project.

Additionally, the city and county sales tax are not proposed to be included in this TIF structure so those new revenues generated from the project will continue to flow through the taxing jurisdictions.

We also have some conditional requirements on the developer for maintenance of a certain class of hotels. Later, we'll use the IRB sales tax exemption for additional incentives on construction materials.

Base Values - Taxing Jurisdictions

Base property tax revenue retained by taxing entities:

Parcel ID	Base Assessed Value	2015 Tax Revenue	Property Tax Revenue Years (1-10)
220204	\$490,725	\$84,315	\$843,150

*Sales tax revenue generated for city & county:

Time period	% increase from 2015 receipts
Year 2	100% (or double 2015)
Year 5	108%
Year 10	125%

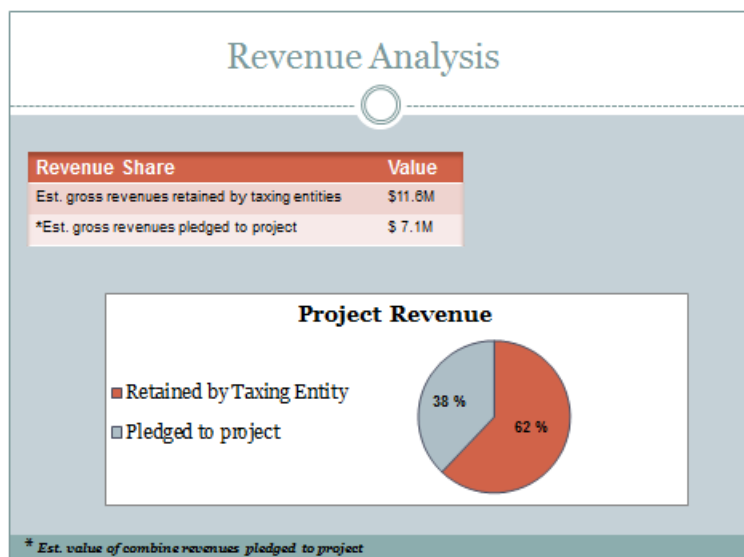
*assumes 1.5% escalator for total sales

Again, a snapshot of what the current base values and taxing revenues for 2015, just a little over \$84,000. Then below, a projection; a fairly modest escalator but projection of sales tax revenues versus what we've currently seen over the previous year.

Action Items
Ordinances: <ol style="list-style-type: none"> 1. Affirming the previous approval of 2005 Rosedale Master Plan 2. Approval of Rainbow Village TIF Project Plan and D.A. 3. Establishing the Rainbow Village Community Improvement District.

Here are the action items that we have before you tonight.

Commissioner Walker asked would you differentiate this as you're proposing it tonight from what you presented to us in December. **Mr. Goff** said absolutely.



Here's an example of how this deal, as originally proposed, was essentially we carried a heavy burden on providing incentives to help finance the project. I think this slide illustrates the revenue share, the public-private partnership from where the revenues generated from the project will actually be retained for the taxing entities as well as the percentage pledge to the project.

So, Commissioner, to answer your question, yes, we think this is a much different deal than what was originally proposed back in April of 2015.

Korb Maxwell, Polsinelli Law Firm, said I'm here today representing Rainbow Legacy Investors. Also have with us Hunter Harris, a partner in Lane4. We've been working on this project for a very long time. We've been in front of this Commission and the EDF Committee multiple times. We're excited to get going. We see this as a continuation of Rainbow I and II, continuing the good work and investment that Lane4 did to start to change the Rainbow corridor and continue to take the great energy that's coming off the KU Hospital and KU Med Center. We think this is an excellent project. It keeps these guests and these people that are coming and need to come in times of crisis over to the Med Center. It keeps them here in Wyandotte County at a great, quality Extended Stay Hotel. It just freshens up the area and it can definitely use that with what we've got. We appreciate your time and your support that you have provided to this project so far. We look forward to it moving forward.

Mayor Holland opened up the public hearing. Anyone who would like to speak in favor of this project, please come forward at this time. No one appeared in support.

Mayor Holland asked would anyone like to speak in opposition to this project. No one appeared in opposition.

Mayor Holland closed the public hearing.

Commissioner Murguia said I just want to say I really appreciate Lane4's work on this project. You've done a lot of work in my district in particular and I am particularly grateful for all of that. As you know, urban development is very difficult and challenging and you truly have been part of the Unified Government's pioneering efforts to make a difference in urban living. Hunter, I really appreciate that and, Korb, yours as well.

Action: **ORDINANCE NO. O-31-16**, "An ordinance affirming the previous approval of the 2005 Rosedale Master Plan." **Commissioner Murguia made a motion, seconded by Commissioner Markley, to approve the ordinance.** Roll call was taken and there were ten "Ayes," Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

ORDINANCE NO. O-32-16, "An ordinance adopting a TIF Project Plan and Development Agreement for the project area within the Rainbow Village Redevelopment District." **Commissioner Murguia made a motion, seconded by Commissioner Johnson, to approve the ordinance.** Roll call was taken and there were ten "Ayes," Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

ORDINANCE NO. O-33-16, "An ordinance authorizing the creation of the Rainbow Village Community Improvement District in Kansas City, Kansas; authorizing the making of certain project improvements relating thereto; approving the estimated costs of such project improvements; and providing for the method of financing the same." **Commissioner Murguia made a motion, seconded by Commissioner Johnson, to approve the ordinance.** Roll call was

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taken and there were ten “Ayes,” Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

Commissioner Murguia said I just want to thank, also, the Unified Government’s staff that’s spent a lot of time and effort on this project. Mr. Goff, you did a great job on your presentation and you’ve really stepped up your game since you’ve moved to Economic Development. I really appreciate that. You’re becoming a master of urban redevelopment. Thank you.

ITEM NO. 2 – 16644...PUBLIC HEARING/RESOLUTION/ORDINANCE: IRBS/PILOT FOR RELP TURNER, LLC

Synopsis: Request the following actions in connection with RELP Turner, LLC's (USAA Real Estate) proposal to develop a single 856,000 sq. ft. industrial facility, with an additional 1.5M sq. ft. coming from an internal mezzanine design, for a total of 2.3M+ sq. ft., submitted by George Brajkovic, Economic Development Director. The project is expected to take one year for completion and will create 1,500 jobs initially.

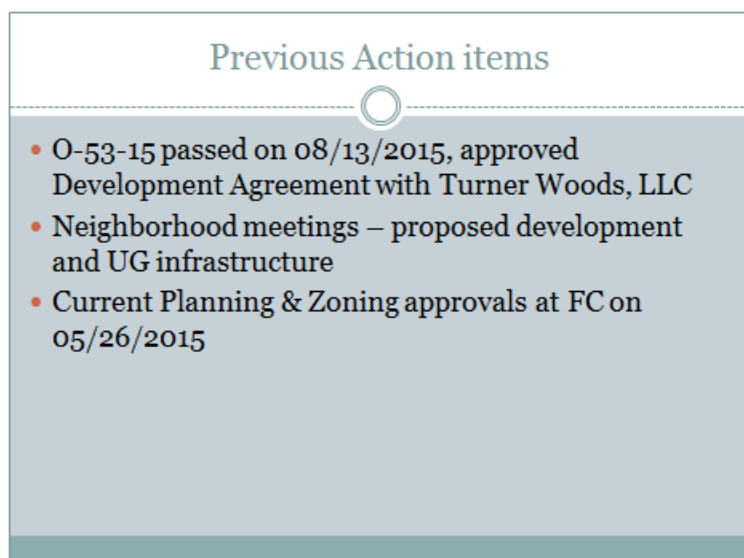
- Conduct a public hearing to consider a resolution of intent to issue industrial revenue bonds (IRBs)
- Adopt a resolution of intent to issue \$310.5M in IRBs, approve a PILOT and amended development agreement with RELP Turner, LLC
- Approve an ordinance terminating the Turner Woods Community Improvement District (CID)

On August 13, 2015, the Commission unanimously approved Ordinance No. O-53-15, creating a CID and approving a development agreement with Turner Woods, LLC (NorthPoint) for the Turner Commerce Center, a 130-acre site at the SW corner of Turner Diagonal and Riverview Avenue.

Doug Bach, County Administrator, said we are very pleased to bring forward one of the largest economic development projects in our community in a number of years. The project shows an investment of over \$300M, over 2.3M sq. ft. of industrial space. Of course this was a project that was started initially by our friends at NorthPoint and who are continuing on today and are moving forward with new development interests that are moving on this site. Tonight we will also be conducting a public hearing and then asking for a couple of actions on this property.



George Brajkovic, Economic Development Director, said I want to make a couple of quick introductions. From the developer's team, they actually have a pretty large group here tonight. I'm going to introduce a couple of guys that I think are going to make some comments once I get through the presentation. Jonathan Stites with Seefried who is managing the construction phase of the new proposal, Brent Miles with NorthPoint, and then I'd like to acknowledge Todd LaSala with Stinson, Leonard, Street, who has been outside counsel for the Unified Government on this project.



I kind of wanted to start again with some of the previous action items we've had on the Turner Commerce Center. Again, back in August 2015, we actually approved the development

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agreement with Turner Woods, LLC, which is the single purpose entity created by NorthPoint to do the project here.

Kind of the transition in terms of what we're proposing here tonight is NorthPoint has still been doing a lot of the site work there. The proposal is to deliver a pad site to the new development team. As I introduced Mr. Stites with Seefried, Seefried is the construction manager. The proposed owner of the improvement would be USAA Real Estate out of San Antonio. I know that they have a targeted tenant in mind. You'll probably see that in some of the provisions we've put into the agreement with regards to job creation numbers.

Previous meetings that have occurred were neighborhood meetings, both from the development team on some planning and zoning items that they had. You actually saw those planning and zoning items in this setting on May 26th. Also, we've had public meetings on the UG infrastructure improvements. I'm sure everyone recalls the extensive conversations we had on the Riverview Avenue infrastructure. It's currently a bridge and then we proposed at grade and then a bridge and now we're back to an at grade intersection. All of those meetings went well with some good neighborhood input.

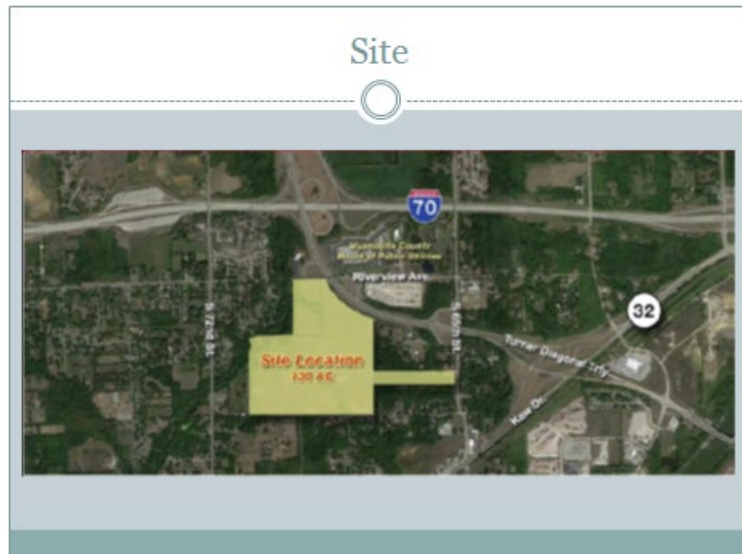
What are we here for tonight?

- **Conduct public hearing set for IRBs/PILOT**
- **Resolution of Intent**
 - \$310.5M IRBs
 - Amend and Assign the Development Agreement
- **Ordinance to Terminate CID**

As Mr. Bach mentioned, what are we here for tonight. First and foremost is to conduct a public hearing in accordance with statutory requirements for the industrial revenue bonds and the tax abatement or PILOT associated with it. We actually have two items. One is a resolution of intent indicating our willingness to issue \$310.5M worth of IRBs for this project. Additionally, there's a provision in there that would amend and assign the development agreement from the NorthPoint entity over to this new entity.

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Additionally, there's an ordinance to terminate the CID. You'll probably recall we created a community improvement district. I've got a slide that kind of rolls into why we created that and why we're now proposing to terminate that.



Again, to situate you as far as where the site is, it's 130 acres. You'll probably recall when we started this process it was a defunct residential TIF. I believe the Mayor referred to this as billy goat terrain, lovingly as I recall. Just south of I-70 along the Turner Diagonal Corridor and, again, access off Riverview Avenue as well as potential access off 65th Street.



The previous site plan with NorthPoint had projected three buildings over about a ten-year period and approximately a million square feet in new industrial space at the site.

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The new proposal has a single building with about 855,000 sq. ft. footprint with some interesting design in terms of mezzanines. That total square footage bumps up to nearly 2.4M sq. ft.

Development Details	
Current Deal	New Proposal
<ul style="list-style-type: none"> • 10 year development timeframe • 3 buildings, approx 1M sf • 600 new jobs projected • CID special assessment for infrastructure cost, 17+ yr debt repayment 	<ul style="list-style-type: none"> • 1 year • 1 building, footprint of 855k+ sf, total of 2.3M+ sf • 1,500+ new jobs • KDOT grant of \$7M for infrastructure

Just a slide to maybe compare the current deal to the new proposal. Again, with NorthPoint, we had anticipated a ten-year development timeframe, again, three buildings, approximately a million square feet. We used some job estimators based on very similar projects actually done by NorthPoint and thought this one would create about 600 new jobs. We actually did the CID as a special assessment. The structure of the IRB always contemplated a 100% tax abatement and then we backfilled that with a little over a dollar per square foot CID. The agreement was we would split that special assessment with the developer so their portion would go towards

eligible reimbursements for their expenses at the project site as well as the UG's share coming to help offset the infrastructure replacement costs associated with Riverview Avenue. We projected that debt repayment for the UG's component of costs at about 17-20 years. Again, that was based on a new building being constructed every two years and then hitting the tax rolls every three years after that.

The new proposal is about a one-year development timeframe or less. It is one building. Again, footprint 855,000 sq. ft. but really a little over 2.3M total sq. ft. It's projected at 1,500 new jobs as indicated in their IRB application that they submitted to us with some growth potential from that. In place of the CID, KDOT has offered a grant in the amount of \$7M to, again, replace the infrastructure. It's kind of the same scenario for us where we had 100% abatement before via the IRBs and we structured in the CID. This proposal will be the same: 100% tax abatement through the IRB structure. This KDOT grant would then help offset the UG's infrastructure costs.



A little bit about the IRB and the PILOT structure. As I mentioned previously, what we're looking to do is maintain the previously approved agreement: 100% tax abatement. The PILOT is based on the current taxes from that 130 acres which is, again, \$5,000. That PILOT, and based on the level of capital investment involved in this project, it qualifies for a ten-year term on the PILOT. I wanted to note on this slide as well that with the current deal with NorthPoint, each building was eligible for a ten-year abatement period. Obviously on this structure, we're just dealing with one ten-year period.

Part of the agreement with the IRBs, and we just talked about our Tax Abatement Policy on Monday night, there are LMW provisions in terms of construction participation for local, minority, and women-owned business enterprises. There's language in here that if the new development team does not make best efforts to hit those participation rates, there is a provision that would allow a \$1.68M liquidated damage payment to make up for that miss.

There's an additional component. I put it under the IRB PILOT structure, but it's really a component of the development agreement. We talk a lot about paying a fee—the incentive term is ten years. What do we really do to ensure that we're not just structuring deals that live the life of the incentive? Well, for this particular deal, we've added a jobs/operating condition. That ensures that there's at least 1,000 jobs at this site for 15 years or if, again, if they fail on that goal, there's an additional \$1.5M in liquidated damages for failing to meet that project goal.

What are we here for tonight?

- Conduct public hearing set for IRBs/PILOT
- Resolution of Intent
 - \$310.5M IRBs
 - Amend and Assign the Development Agreement
- Ordinance to Terminate CID

Ending with that slide, again, for what are we here for tonight.

Brent Miles, NorthPoint Development, said obviously this is a unique circumstance for us. We obviously invested a lot in your community and have had a great track record in your community. When approached about a potential sale, the first answer was absolutely no. Wyandotte is where we live and breathe and do industrial development. When we heard about the project perimeters, we changed our minds. This is a big project for your community. Obviously, it's beneficial to us and a sale as well, but this is a big deal when you look at the scale, the \$300M+ project.

What we thought would last us for 10 – 15 years, hopefully after your approvals tonight is off our book now so we'll go try to find another park to develop in your community just because we love doing business here.

I will say just a little bit of history as George alluded to, a goat path is an exaggeration of how good this site was. There are 30 – 38 feet of cut and fill across the site. We're moving just under one million cubic yards; one of the largest dirt moving projects. If you've flown over and gone into KCI recently, you'll have seen this large, barren patch in midtown; that's us. We're working 20 hours a day and Jonathan says what happens to the other 4. We literally are trying to work 20 – 24 hours a day getting this pad ready for this sale. Rain was not our friend in May.

George, I thought did an excellent job. Obviously Doug and George have really carried this project through the process and have been very pleased with their work as always. I think I don't need to say anything further than that.

Johnathan Stites, Seefried Properties, Dallas, TX, said I've had the opportunity to beaten a path to Kansas City for the last couple of months many times. That's exciting. We're really pleased to be here before you for this project tonight. It's been a long path. As both have suggested, Doug, George and the whole staff that we've worked with so far, have done a great job at their jobs. It's also been a pleasure for us to deal with. We had a great meeting this morning with 15 staff members at the NRC meeting on the plan review and really launching into a very complicated project. Just appreciate the opportunity.

Seefried, as a developer, we have had the opportunity to work on a project like this several times over the last five or six years. This has been something that we've been a part of in many communities around the country. They're exciting because they do have such an economic impact, both from a development cost standpoint and also jobs. A real impact in the community and that's always exciting to deal with because it's more than just a big box. As you can imagine, just by the amounts that we're talking about here, the buildings themselves are very intricate and have a lot of moving parts. This deal has a lot of moving parts and we're still working through a number of those. This clearly, obviously, is one big major step.

The building itself will serve the user as a great opportunity to generate commerce for the area. It will be an online fulfillment, online sales fulfillment business, have a lot of employees and also some high-tech type operations inside. The various mezzanines are for that operation and that storage and a lot of material handling, equipment, and conveying equipment and things like that inside the building.

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There may be questions and I'm happy to answer those. I just wanted to take just an opportunity to let you know we're just so pleased to be here. We're really excited about this community and hopefully the impact of this project. Our experience is that the next 12 months will be a lot of hard work. We've already started with a lot of hard work on moving dirt but it just ramps up from here. We're kind of buckling our chin straps and getting ready to lunch full scale once a lot of the balls that are currently up in the air get settled in.

Mayor Holland opened the public hearing. The public hearing is around the IRB/PILOT. I'll open it up and ask if anyone would like to speak in favor of this project to please come forward at this time.

Greg Kindle, Wyandotte Economic Development Council President, 727 Minnesota, and a resident here of Kansas City, KS, appeared in support of the resolution to issue \$310.5M in industrial revenue bonds, approve the PILOT structure as presented and terminate the CID originally proposed for this location.

Nearly three years ago, specifically on July 9, 2013, during one of our joint Economic Development Team meetings with then Deputy County Administrator Doug Bach and George Brajkovic, we discussed a project that called for 1.3M square feet, needed 85 acres, and anticipated a \$75M investment that would create 900 jobs. We took a chance and pitched what was then known as Turner Woods. We didn't land that project, thank goodness because what you have before you is such a substantially better project than what we had three years ago in every aspect.

We've been fortunate over the last three years to have great partners like Country Club Bank who was instrumental in getting those early reports and studies completed, Continental Consulting Engineers who have been a common thread throughout these past three years, and NorthPoint Development, who you've heard from tonight and many times before, have done a great job ultimately bringing this site to fruition with a client that we believe will provide long-term benefits to Wyandotte County.

Today, the project before you provides more than 2.3M sq. ft. of usable space and has a significantly larger investment than anticipated just a few years ago on what had been an underperforming residential site. As you all know, this is a tough site, as you've heard. The investment in infrastructure and the site improvements is massive unto itself, but those improvements have long-term benefits on the larger Turner Diagonal Corridor.

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Equally important to the investment and infrastructure improvements is the investment of creating more than a thousand jobs, paying what we consider to be very good wages. To us, this development provides many in our community who are underemployed with an opportunity to increase their household income and to develop a career pathway. Today, the county median household income is just over \$39,000. Many of the census tracts in this urban area, and many of which you represent, have median household incomes below \$20,000, and that's per household.

Despite having the third highest wages in the state of Kansas and the lowest unemployment rate in more than 15 years at 4.6%, we still struggle to create a talent pipeline that connects our residents to the available jobs. Our engagement on this project centers on developing this pipeline to create what we believe is a transformational opportunity that engages our social service agencies, the faith community, transit, educational, and workforce providers.

This is a wonderful project in sheer size alone and there's an investment in the way of incentives that you all have to decide. Today, I'm here on behalf of the Wyandotte Economic Development Council to suggest that this project creates the kind and number of jobs in the ways that creates positive change.

Thank you to all the teams that have made this project possible and to bringing this to fruition. We've pleased to be a partner and we encourage you to support the proposed resolution and ordinance.

Mayor Holland said I'd like to add while Greg's walking back to his seat that Greg pulled together a huge team with project Socrates three years ago. We made a pretty comprehensive pitch and as he said, we didn't get that deal. The team he created and the work that was done on that project three years ago is bearing fruit today. We never know when an economic development project is going to work, but we have been consistently aggressive in working on this. The groundwork has been laid by our Economic Development staff, Greg Kindle at WYEDC, and our Administrator's Office. It has been tremendous. It's bearing fruit today.

Mayor Holland asked would anyone else like to speak in favor of this project. I see no one else moving forward.

Mayor Holland asked would anyone like to speak in opposition to this project tonight. Let the record show no one is moving forward.

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Mayor Holland closed the public hearing.

Mayor Holland said I do have a question as we move into this for George. Mr. Brajkovic, what is the—with the investment by the state, because the previous deal we had did not attract the attention of the state—the number of jobs here did attract the attention of the state and they granted us \$7M toward infrastructure. What does that do to the affective abatement rate on this project? **Mr. Brajkovic** said, Mayor, I don't have a definitive answer but what we did is we took a look at the projected appraised values for the NorthPoint Project on a per square foot basis and we applied that same type of analysis to this new proposal. Based on the footprint size of the building and the 2015 mill rate, we think that the UG's share of a property tax payment over 10 years is going to be somewhere around \$6M total. The KDOT grant is actually in excess of what we're projecting our abatement would be; our share. **Mayor Holland** said our share of the abatement. **Mr. Brajkovic** said roughly about 47.5% of the total tax payment.

Mayor Holland said we usually max out at 75% on these kinds of projects over 10 years. We were willing to go to 100%. Because we're willing to go to 100%, we were able to get the grant from the state which effectively brought us down to about 47%. I think that the way the math has worked on this has been very positive. I wanted to make sure that was clear to the community.

Commissioner Philbrook said where to start because I came on the Commission just about the time it hit the fan with Turner Woods. I would thank everybody that had anything to do with Turner Woods and every step forward with developing this piece of property. I have learned so much from every one of you, good, bad and the ugly, and also how well a team can be. Everybody had the good of Wyandotte County in mind with this and they really did push hard for that to happen. I have no way to tell you how excited I am that everybody worked this hard, especially that NorthPoint was willing to step aside because they love their projects. We're very happy with them. To have a developer like this come in and take over from them, I know that they were very happy about that.

Greg, thank you for everything you said. Greg and I worked very hard on Workforce Solutions. This project and things that have come forward have given us some additional things to work on. We're very, very enthusiastic about this project coming in and the things that this particular entity is planning on doing I hope to help with that workforce issue.

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I know that it's hard for me not to get carried away, loud, and strange when I see this kind of activity in my community. I'm kind of like Ann, when something really goes well, it's hard not to nail your feet to the ground and not be doing the happy dance up here. It's not very official looking. I'll wait and do a happy dance after our Commission is over.

Action: **RESOLUTION NO. R-53-16**, “A resolution determining the intent of the Unified Government of Wyandotte County/Kansas City, Kansas, to issue its industrial revenue bonds in the amount of approximately \$310,500,000 to finance the costs of acquiring, constructing, improving and equipping industrial facilities for the benefit of RELP Turner, LLC.” **Commissioner Philbrook made a motion, seconded by Commissioner Walker, to adopt the resolution.**

Commissioner Markley said I would just like to say, I heard you say you were going to look for some more industrial space. I'd be happy to show you some in my district anytime.

Commissioner Bynum said I just wanted to say thank you to everybody involved in the project. It's an amazing project. I don't know this for a fact but it's on par with some of the biggest economic development projects that have been undertaken in the community in possibly since Kansas Speedway. It's a big project. It's been a great team. I also want to thank Wyandotte EDC for the efforts that you've put forward on this. It speaks to so many issues in this community on so many levels. I couldn't be happier to have you bringing the project to the county. I really appreciate it.

Commissioner Johnson said, again, I echo my fellow commissioners' gratitude for this project. I think my comment is really more for perpetuity sake for future projects. I like the fact that we have what appears to be a larger amount of requirements for LBE, MBE and WBE participation. I happened to have a few opportunities to kind of look at former projects so I'm glad to see that there. Also, the liquidated damages provision that is in there, I'm just curious—and this is really for future projects, how we determine the type of what I would call premiums or penalties for those types of things as we look at any kind of projects. That's really what I'm alluding to, maybe Exhibit F.

Mr. Brajkovic said I was trying to actually dig out the agreement to see—I can tell you the way that we focused on some of the premiums for this particular project, one of the dollar

amounts we had in mind, when we do projects, we sometimes look for a GMP or a guaranteed maximum price. There is a possibility that the \$7M grant won't be enough to cover in full the infrastructure costs so some of the liquidated damages are intended to recover that specifically.

On other provisions, we just simply look back at the Tax Abatement Policy and say if the LMB participation rate would have qualified this project for an additional 5 or 10% abatement, if they don't hit that mark, what is that calculated percentage back over the life of the incentive? For the two particular components here, that's essentially how those two premiums, I think as you termed it, were derived.

Commissioner Johnson said there are a lot of ways that you can call it. I kind of like the word premiums as opposed to penalties. **Mr. Brajkovic** said I like it too.

Mayor Holland said we have a motion before us and a second. I do believe NorthPoint has an 850,000 sq. ft. building to build before Christmas so you should be a little bit busy. We approved that last week. **Mr. Kindle** said that's the only reason that we did that. We did two at once. **Mayor Holland** said you have your work cut out for us.

Roll call was taken to adopt the resolution and there were ten "Ayes," Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

Action: **ORDINANCE NO. O-34-16**, "An ordinance terminating the Turner Woods Community Improvement District in the city of Kansas City, Kansas."
Commissioner Philbrook made a motion, seconded by Commissioner Johnson, to approve the ordinance. Roll call was taken and there were ten "Ayes," Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

STANDING COMMITTEES' AGENDA

ITEM NO. 1 – 16605...PRESENTATION: 2015 CAFR

Synopsis: Presentation of the 2015 Comprehensive Annual Financial Report (CAFR), presented by Allen, Gibbs, and Houlik, LC, the UG's independent auditor, submitted by Rick Mikesic, Accounting Manager. This item was scheduled to appear before the Economic Development and Finance Standing Committee, chaired by Commissioner McKiernan, on June 6, 2016. It was

requested, and approved by the Mayor, to fast track this item to the June 9, 2016 full commission meeting due to it being time sensitive.

Mayor Holland said I'll note that a presentation was made during the standing committee this past Monday. It was an abbreviated presentation so the commissioners on that committee would not have to sit through the full presentation twice. We will have the extended presentation tonight not only for the benefit of the commissioners, but also for the public. This public process for our budget and audit is an important part of the transparency of this government and giving confidence to the public that we're properly managing all of the funds that are in our care.

Doug Bach, County Administrator, I don't have too many opening remarks. I know everyone is excited to get into the details of the CAFR. It is the extensive outside audit that we have conducted over our books and our numbers throughout the course of the year and the activities of the government. We have the firm of Allen, Gibbs & Houlik here this evening. Shelly Hammond is here to go through this presentation.

Shelly Hammond, Senior Vice President of Assurance Services, Allen, Gibbs & Houlik, said we are your external audit firm. I'm pleased to be here this evening to report the highlights of the results of our external audit for the year ended December 31, 2015.

First and most importantly what I wanted to relate to you is that the opinion that we are providing on the financial statements is what is called an unmodified opinion. In laymen's terms, sometimes that's referred to as a clean opinion. That's the highest level of opinion you can achieve from the outcome of your external audit. To summarize kind of what that opinion says, and you will find a copy of that in the draft Comprehensive Annual Financial Report, but to summarize what it says is we are telling you that we are providing you, as a result of our external audit, reasonable assurance that the financial statements prepared by your management team are free of any material misstatements. At the end of the day, that's our official opinion and report on the financial statements.

We also prepare what we call a management letter or a letter that goes to you, as members of the governing body that I believe you have in your packets. On the front page of it, if you're looking for it, it says Required Communications kind of in the middle of the page. If you wanted to look at that as I go through, I'm really just going to hit on a couple of highlights.

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The content of this letter in terms of what we're required to talk to you about is very similar to what we've always been required to communicate. What I wanted to focus on tonight was a couple of key things that one, is a pretty significant change to the financial statements that I wanted to walk through very briefly, and then another matter related to internal controls. Certainly, if there's something in that letter I skipped over that you wanted me to touch on, you can ask questions at the end and I'd be happy to respond to any of those.

On the first page of that letter at the bottom of the first page, it gets into discussion about the first item I wanted to talk about which is the significant accounting change. There's a body called the Government Accounting Standards Board, sometimes referred to GASB, that puts out accounting standards that all governmental entities have to follow. Every year or two there's a new standard that comes out that you, along with every other government in the US, have to adopt. The one that was adopted this year related to pension plans, in particular, your participation in KPERS. In a nutshell what that new requirement did for accounting purposes is it said while you are a participant in that plan, which is a statewide plan as you know, you have an obligation for the future retirees that you have that participate in that plan as well as your current employees who are going to retire in the future. If that plan, i.e. KPERS, is unfunded, i.e. if it has a liability, you have a share of that liability along with every other employer who participates in that statewide plan. What the accounting requirement did is it required the Unified Government to record essentially your share of KPERS' liability on your balance sheet.

To give you some perspective, as of June 30, 2015, which was the last yearend that KPERS had, their yearend is June 30, it follows the state's yearend, KPERS had an approximate \$9B unfunded pension liability for the plan as a whole. That \$9B essentially got allocated, based on this new accounting standard, to all the participating employers: yourselves along with all other cities, counties, and school districts in the state of Kansas who participate. Your share of that equated to approximately \$147M, which is a substantial and material change to your financial statements.

The one thing I will emphasize is that is an accounting change. That liability has existed all along. It's just that now, under the new accounting rules, it is reflected on your balance sheet so you can see that number on the balance sheet in the Comprehensive Annual Financials Report. It doesn't really change the substance of what's been happening all along, it's just that now can be seen within your financial statements. It's really not new; it's just how we are accounting for it is new. Again, you're doing that along with every other employer in the state of Kansas as well as all employers all over the US who participate in their own pension plans. Your financial

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statements when compared to say your neighbors down in Johnson County, they're going to be doing the same thing. Everybody is impacted by this standard. It is a large number, but in the state of Kansas, unfortunately everybody's number is kind of a large number. That is a very significant change and I wanted to spend a few moments talking about that. Again, I would be happy to take any questions should you have them.

The rest of the letter, again, talks about some of the standard things we're required to communicate. We have in here information about estimates in the financial statements. We provide a very high level summary for you of how management makes assumptions and creates estimates when there are things that have to be estimated in the financial statements, and then our process for evaluating those for reasonableness. In all cases for all of the significant estimates we identified in the financial statements, we found management's process to be reasonable and based on reasonable data and reasonable assumptions.

We also include information in here about any adjustments that we made to the financial statements. During the course of virtually any audit, there likely will be some adjustment to the financial statements that comes out of the audit process so we list a few of those in here. The most significant one this year was the one we just spoke about related to the pensions, getting recorded for the first time.

If you're following along, I'm going to skip to page 4 because that's kind of a second area I wanted to highlight. On page 4, we have some discussion about internal control matters so we provide an opinion on the financial statements that I mentioned before but then we also report to you any matters as it relates to internal control weaknesses or deficiencies that we identified during the course of the audit process.

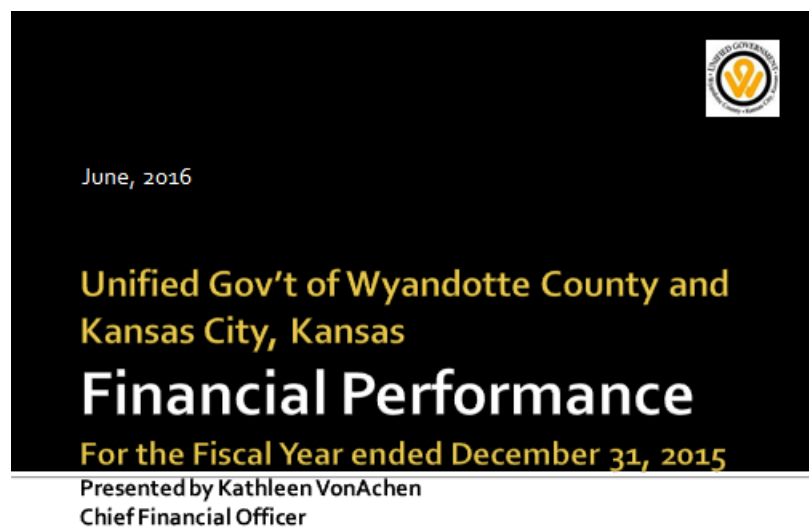
We do have one item that we're reporting in the letter this year. There's a summary of it on page 5. This is actually a similar item to what we have been reporting to you for the last, I think, five or six years. It's been a few years. Kind of in a nutshell what this issue relates to is the preparation of the Comprehensive Annual Financial Report. If you were to print out the Comprehensive Annual Financial Report, it is 176 pages long. It's a very lengthy document and it's something that your management and finance team only does once a year. There's a lot that got into it. It's a very complicated process. It is management's responsibility to prepare that and there are a few areas where we, as auditors, are assisting your management team in putting the document together.

What the focus of that comment is, it's kind of on additional areas that the finance and management team can continue to work on to take on more and more responsibility for preparing

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that document. Again, that is a similar matter to what we have talked about in the past although I would also like to emphasize that every year we have seen that continue to improve. Some of that tie back to when Rick Mikesic was originally brought in to his position in the Accounting Office in 2012. Substantial progress has been made with his leadership and through his team on that matter. What I would also refer you to is Rick and his department provided a response to that finding. If you want to look at that, that is on page 7. That includes information about how they're planning to continue to address that going forward. I wanted to also mention that so you can refer to that should you so choose to do that.

Those are the highlights of kind of our official report. I do always like to just report on the fact that the audit process—as we have experienced in the past, it went very smoothly. Rick and his team are great to work with. Kathleen coming on in the middle of the audit, lucky her. She came onboard in the middle of the audit, jumped right in and has been a fantastic resource for us as well. As always, we've always had full access to all information we wanted to see. Had no issues in terms of getting our questions answered and getting through the audit process. I want to thank them and their team because without that effort on their end—we have to work with them to get through the process and without their efforts and their hard work, it would be a much more difficult process. I want to thank them and recognize them for all of their hard work.



Kathleen VonAchen, CFO, said I wanted to provide you with a little bit of information on the financial performance of the Unified Government last fiscal year, 2015. I'm going to try and

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summarize the 200 page document that you have before you as quickly as I can with the following slides.

Agenda

- Government-wide Financial Position
- Financial Performance by Fund
- General Fund Review

Overall, we're going to talk about the financial performance of the entire city in three sections. First, we're going to talk about the government-wide financial position. That's basically the first few statements at the beginning of your book. They basically summarize the entire Unified Government on the basis of full accrual accounting or GAP. Basically, you would read the financial statements just like you would for a private company.

The second section is the financial performance by fund. There are a number of governmental and business type funds that the Unified Government records all of its transactions. We want to talk about those real quickly and show you those.

Then we're going to do a little bit of a General Fund review. The General Fund is the largest fund of the Unified Government so it's a very important fund. We want to make sure that we're maintaining that fund in a healthy and fiscal imprudent way.

Government-wide Financial Position

Section 1 – FY 2015 Financial Audit Presentation

The first section is the government-wide financial position. Because these statements are done on a full accrual accounting basis, they include long-term liabilities, they include depreciation,

and they include a number of things which are not found in the fund financial statements which I'll talk about in the second section.

Government-wide Balance Sheet

Net Position as of December 31st



	2011	2012	2013	2014	2015
Governmental Activities					
- Assets	\$ 765	\$ 792	\$ 816	\$ 796	\$ 828
- Liabilities	(609)	(642)	(725)	(713)	(883)
Total Net Position	\$ 156	\$ 150	\$ 91	\$ 83	\$ (55)
Business-Type Activities					
- Assets	\$ 1,075	\$ 1,160	\$ 1,170	\$ 1,321	\$ 1,330
- Liabilities	(578)	(659)	(665)	(808)	(804)
Total Net Position	\$ 497	\$ 501	\$ 505	\$ 513	\$ 526

Amounts in Millions; Full accrual accounting;
Deferred resources netted in asset and liability categories

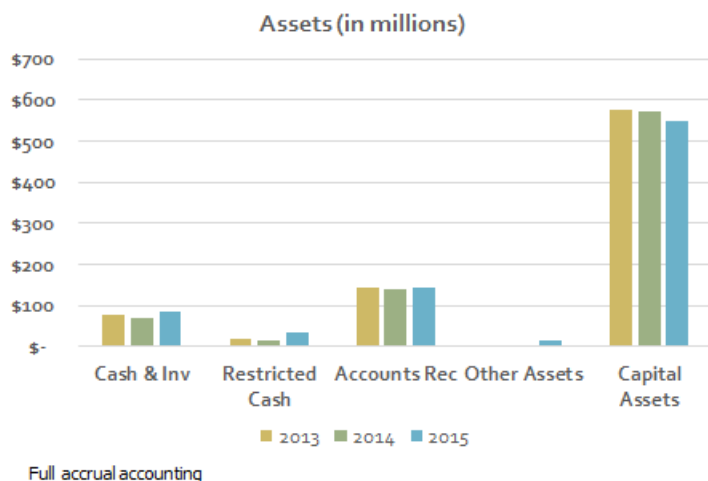
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Overall, we have the Unified Government spilt up by two categories. One is the governmental activities and the second is the business-type activities. The business-type activities are your Sewer Fund, the Golf, and a number of other funds. The top ones are all the other governmental activities except they're reflected with full accrual accounting so they include all the long-term liabilities, they include all the capital assets, the value of all your streets, depreciation, the value of your net pension liability, OPEB and all the rest. All of it is in there.

You can see over the last five years the debt position, which is basically sort of like your fund balance, has been slowly declining and that's because as we record long-term liabilities in compliance with our GAP and GASB pronouncements, you can see that some of those liabilities have been declining. Assets minus liabilities equal debt position. In 2015, the drop was rather significant and that's because we added on the governmental side roughly \$137M in net pension liability.

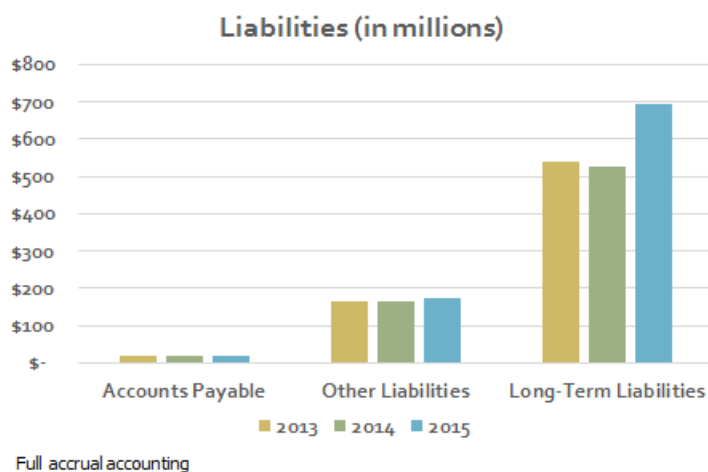
On the business-type activities, you can see that net position has been improving. The majority of that business-type activity is from the Sewer Fund. The Sewer Fund is ramping up for a major capital infrastructure investment in response to some needed infrastructure required by the EPA.

Governmental Activities Balance Sheet



Graphically speaking, as you know, there's a balance sheet and there's an income statement. The top of the balance sheet is your assets. These are the four or five major categories of assets. You got cash. The bars are the different years so you can compare how the city's been performing from year to year. Cash position has improved. Restricted cash has improved. Accounts receivable has remained rather constant. The only thing that's really declined on the assets side is capital assets as it's probably just because depreciation is continuing to decline that value.

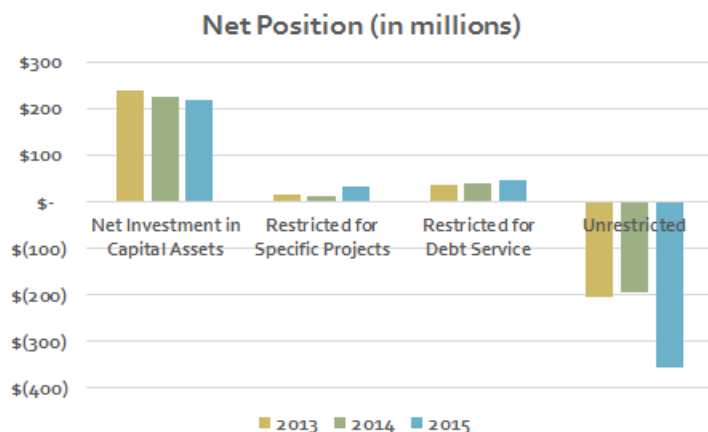
Governmental Activities Balance Sheet



On the liability side we've got accounts payable which is pretty small, other liabilities, but that last one is long-term liabilities and that's where you'll see that big jump and that is because of

the addition of the net pension liability. As Shelly mentioned, we've always had that net pension liability, it's just that this year we have to include it in our financial statements.

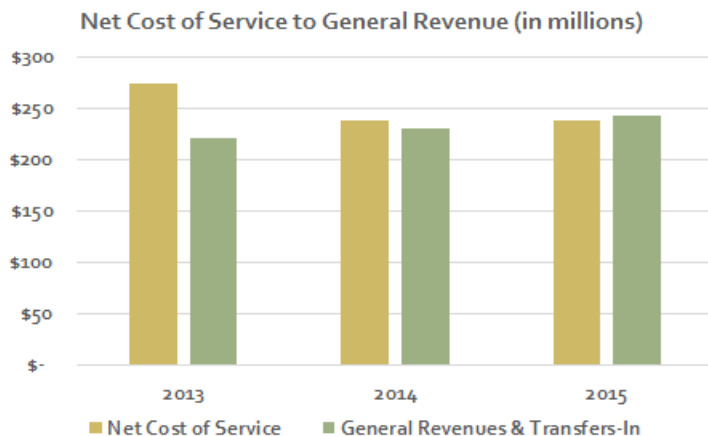
Governmental Activities Balance Sheet



Full accrual accounting

This is basically what you would consider the income statement which is the statement of activities. On the balance sheet side, all the accounts are accumulative from the beginning to when the Unified Government was formed. On the income statement side, it's just a statement of the activities that are happening in the current year. We've got revenues on the top and expenditures at the bottom.

Governmental Activities Income Statement



Full accrual accounting

This graph shows all the expenditures minus any kind of revenues that are because of charges for services or grants, those kinds of revenues that are specific to the expenditure and then what's left over is what is covered by taxes and other transfers-in. The taxes and other transfers-in you

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see in green. Naturally what we want to do is make sure that those two bars are equal to each other. You can see that happened in 2015.

KPERS Allocations of Net Pension Liability



Entity	Net Pension Liability (NPL)	# of employees	NPL per employee	Population	NPL per capita
Johnson County	\$ 166,717,737	3,398	\$ 49,063	590,804	\$ 282
Overland Park	27,536,729	833	33,057	184,708	149
Olathe	57,708,511	1,055	54,700	132,437	436
Total JoCo/Overland Park	194,254,466	4,231	45,912	590,804	329
Total JoCo/Olathe	224,426,248	4,453	50,399	590,804	380
Topeka	79,911,504	1,150	69,488	127,215	628
Shawnee County	38,958,237	not found	not found	177,394	220
Total Topeka/Shawnee	118,869,741			177,394	670
Sedgwick County	122,343,954	2,524	48,472	511,885	239
Unified Government	147,823,146	2,326	63,553	163,369	905

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Shelly had talked a little bit about the pension liability. I wanted to provide you just a little bit of information here in case it comes up. What we're talking about here is how did KPERS allocate the debt pension liability amongst various other entities that are similar or comparable to us. You can look at it from a per employee basis, the number of employees in each government or you can look at it on a per capita basis with the Unified Government down below.

The first column, of course, is the entity and the second column is the number or the amount of the net pension liability. You see the Unified Government there with \$147M. Sedgwick County has \$122M. These are all new amounts that are being added to all of these entities' financial statements. If you were to combine the city of Topeka and Shawnee County together, their net pension liability would be \$118M. Then you can see we've got Johnson County, Overland Park, and Olathe.

Because we're unique in that we have both a city and a county combined together, we need to kind of look at these different hybrids. You can see, for example, the net pension liability per employee. For the Unified Government, it's around \$63,000. That's comparable to say the city of Topeka. On a population basis, you can see that the Unified Government is a little bit high at \$900 per capita basis whereas the others, for example, the city of Topeka and Shawnee County is 670.

There is a variance among these net pension liabilities because it kind of depends on the mix of—actually it depends on the compensation and the wage level of the employees. It also

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kind of depends on the mix of the number of employees that are public safety pensions versus general government pensions.

Commissioner Murguia said I don't mean to interrupt you, sorry, Mayor. Before she got too far down the road, can you explain to me—you were saying that our pension liability, the NPL per capita is 905 versus another comparable city at 628. What does that tell us? People that are not in finance, what does that mean? **Ms. VonAchen** asked which column did you refer to. I didn't see. **Commissioner Murguia** said the NPL per capita, the last column. When you look across the board and it's 905 for Wyandotte County and you look up to Topeka and its 628 actually. **Mayor Holland** said combined city/county is 670. **Commissioner Murguia** said okay, then its 670 for combined city/county so we're comparing the same there. Why the difference and what is that?

Ms. VonAchen said basically how the math works is you take the total net pension liability and you divide it by say the number of people or population in the entity, the jurisdiction and you get that dollar amount over there...**Mayor Holland** said I think her question is what does it mean so interpret it for us. **Ms. VonAchen** said basically what this is, is sort of a measure of how the liability level given the size and composition of each entity. For example, that amount would be paid for over the next 30 years. It isn't a single annual amount. For the next 30 years, you can divide that, for example, you could, in effect, if you wanted to know the annual amount that each person who lives in the county would pay toward that pension for the city, you would divide 905 divided by 30 years.

Commissioner Murguia asked why is our liability so much higher than Topeka, Shawnee. **Ms. VonAchen** said Shawnee—well, first off, we weren't able to get the number of employees who work for Shawnee County so we're not exactly 100% sure how many employees work there in order to make it meaningful. The reason that there are differences is because not all of the employees are necessarily covered by a pension, number one. Secondly, the compensation or salaries may be different. Thirdly, there's a number of—the public safety pensions tend to be or wages tend to be a little higher than normal, not general governmental. It kind of depends on how much...**Commissioner Murguia** asked the wages in Wyandotte County are almost a third higher than the wages of the city or county employees in Topeka and Shawnee County. **Ms. VonAchen** said no, we're not certain if Topeka and Shawnee County have total employees of 2,300. It may be a lesser number.

Mayor Holland said I don't want to get too far in the weeds here. The help of this chart is to show, relatively speaking, per employee, we're on the high end in terms of pension liability. Per capital in our community, we're on the high end of liability. I think we just need to be aware of that for comparative purposes. I don't know that there's action to be taken other than to be aware when we give out salaries and benefits it creates a liability on the pension side so we just need to be thoughtful about that. I don't know that there's a solution here. I think this is information to give us a comparison that based on Johnson County and Shawnee County, we're on the high end of pension liability per capita. I think that's what that tells us.

Commissioner Murguia said I wasn't looking for a solution. I just wondered why it was higher. Why is it almost a third higher. Not a solution, just why is it higher. **Ms. VonAchen** said the pension liability amount is determined by the actuary that KPERS puts together. There are a whole slew of assumptions and data that they review and analyze.

Commissioner Walker said over the years, many years, I have sat through these presentations. I have to say that every few years some ivy league, may not ivy league, may ivory tower accountants for a national association sit around and determine that we need to disclose some additional kind of information that is absolutely irrelevant to anything we're doing on a day-to-day basis. This is my opinion. There is not a city or county that we're showing these numbers for that could raise that money in the event that KPERS just mystically that KPERS' director stole their billions of assets and put them in a Swiss bank account. What city could raise those kinds of dollars without going under the protection of the federal bankruptcy courts? It creates the illusion that everybody in this county owes \$905 for the employee. Oh, it does too. That TV is going to say to somebody watching it that we've got this massive liability that we're just doing nothing about when in fact we don't have this massive liability.

Ms. VonAchen said I wanted to point out that actually you should think of it as a mortgage because it's actually a liability that goes down every year. As you continue to make payments toward and you're making...**Commissioner Walker** asked how does it go down if employees keep working. It's just like a mortgage you extend every year. You just pay the interest on it. **Ms. VonAchen** said no, actually because any new employees now as they enter into the system are in a different tier system. They have a lower benefit level. The liability will not continue to increase. In time, this amount will diminish over the 30 year period. It's a 30 year amount.

Financial Performance by Fund

Section 2 – FY 2015 Financial Audit Presentation

Ms. VonAchen said this section we're going to talk about the various funds. Now as you know there are a number of funds. The bottom line is what they call the fund balance. Over the past five years, I'm providing this information on kind of a historic basis so that as we go into more discussions related to the budget and the long-range financial planning process.

Financial Performance by Fund Fund Balances as of December 31st



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund	14.3	19.5	14.4	16.4	31.6
Capital Projects	\$ (9.0)	\$ (13.1)	\$ (21.4)	\$ (38.3)	\$ (2.9)
Debt Service-EcoDevo	10.0	8.9	8.1	13.6	13.7
Dedicated Sales Tax	2.4	1.9	2.1	2.4	3.0
Special Law Enforcement	2.2	2.5	3.0	2.5	2.2

Amounts in Millions; Modified accrual basis of accounting

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As you can see, the General Fund is the largest fund of the city. These are on a modified accrual basis. Starting in 2011, the fund balance for the General Fund, which is the bottom line amount, the revenues minus expenditures, assets minus liabilities, this is the bottom line, in 2011 it was \$14M. It's now climbed in 2015 to \$31.6M. I'm going to talk more about that later on in the presentation.

The other major funds we have are our Capital Projects Funds which you can see are negative. The reason for that is because we fund our capital projects using temporary notes, which are short-term borrowing mechanisms that are recorded here. We pay for the projects with temporary notes and then when the projects are completed, we extend the bonds for them and then they become long-term liabilities. That's why you'll see that negative here.

There's a Debt Service for Economic Development functions which measured in 2015 at \$13.7M. That's basically for debt services reserves that are required by the bond documents.

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We also have Dedicated Sales Tax which is a special sales tax dedicated for public safety and public works infrastructure. That's at \$3M at the end of fiscal 2015. Then we have a Special Law Enforcement Fund.

Financial Performance by Fund continued Fund Balances as of December 31st



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Elections	\$ 0.7	\$ 0.7	\$ 0.6	\$ 0.5	\$ 0.7
Special Street & Highway	0.7	0.9	0.5	0.4	0.7
Debt Service - General	3.3	2.5	3.1	4.5	5.5
Emergency Medical Svc *	0.4	0.6	0.1	0.2	0.5
Sewer *	7.6	9.3	7.8	7.8	12.5
Stormwater *	1.8	2.1	2.8	3.2	2.1
Levee *	0.5	0.3	0.4	0.3	2.3

Amounts in Millions; Modified accrual basis of accounting for Elections, Special Streets and Debt Service fund. The EMS, Sewer, Stormwater and Levee funds are enterprise funds that follow full accrual basis of accounting. These three funds are presented here on a budgetary cash basis of accounting for comparative purposes.

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Some of the other funds are Elections ending with \$700,000. The Special Street & Highway was \$700,000. The last three are Emergency Medical, Sewer, Stormwater, and Levee. Those are all Enterprise Funds but I've reflected them here on a budgetary basis so we're comparing apples to apples or apples to oranges.

Internal Service Funds Performance Net Position as of December 31st



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Workers' Compensation</u>					
- Assets	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
- Liabilities	(5.4)	(5.4)	(5.0)	(5.0)	(4.5)
Net Position	\$ (5.4)	\$ (5.4)	\$ (5.0)	\$ (5.0)	\$ (4.5)
<u>Health Care Benefits</u>					
- Assets	\$ 8.3	\$ 6.1	\$ 5.1	\$ 1.4	\$ 1.2
- Liabilities	(2.0)	(2.2)	(2.6)	(3.2)	(5.1)
Net Position	\$ 6.3	\$ 3.9	\$ 2.5	\$ (1.8)	\$ (3.9)

Amounts in Millions; These are proprietary fund types and follow full accrual basis of accounting.

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General Fund Review

Section 3 – FY 2015 Financial Audit Presentation

Now about the General Fund.

General Fund Revenue Trends

[Not including Transfers-In and Other Financing Sources]



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Taxes	\$ 133.8	\$ 143.1	\$ 147.3	\$ 123.4	\$ 127.1
Intergovernmental	4.6	0.7	0.8	0.8	0.8
Licenses, permits, fees	2.3	2.4	2.1	2.0	2.3
Charges for services	13.1	13.6	12.3	13.0	12.9
Fines & forfeitures	5.7	5.6	5.2	5.6	8.1
Interest Income	1.9	2.0	1.7	1.8	1.9
Miscellaneous	4.8	2.3	3.0	3.6	3.9
Total Revenues	\$ 166.2	\$ 169.7	\$ 172.4	\$ 150.2	\$ 157.0

Amounts in Millions; Modified accrual basis of accounting; Taxes for 2014 & 2015 reflect auditor required change in financial reporting for the electric and water franchise tax (BPU PILOT) which was re-stated as a General Fund transfer-in (and not as a revenue) beginning in FY 2014.

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The first slide here is the General Fund revenue trends. It does not include any transfers-in or other financing sources. Now you can see right off the top the first line is taxes. As you can see, there's a big drop in taxes in 2014. That is because of a change in an accounting procedure. Previously, the PILOT was recorded as a tax revenue. In 2014, due to some interpretations, that accounting treatment was changed and it was recorded as a transfer-in. You'll see it in a couple of slides.

You'll see the intergovernmental revenues remain rather constant so did licenses and permits, charges for services pretty constant, fines and forfeitures jumped up a bit in 2015 and my guess it's because of a special payment made by Hollywood Casino. Overall, revenues for the General Fund totaled \$157M.

General Fund Expenditure Trends



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	\$ 18.7	\$ 21.5	\$ 23.4	\$ 22.5	\$ 21.7
Public works	22.0	21.5	22.1	23.0	23.5
Public safety	100.3	103.3	109.7	113.9	110.2
Judicial	7.8	7.7	8.0	8.3	8.3
Health and welfare	0.5	0.6	0.5	0.6	0.6
Planning & development	9.2	5.5	6.5	7.9	7.4
Parks & recreation	4.8	4.5	5.1	5.1	5.0
Capital outlay	2.1	2.2	2.6	2.2	2.9
Debt service	1.7	2.1	2.1	1.5	2.1
Total Expenditures	167.1	\$ 168.9	\$ 180.0	\$ 185.0	\$ 181.7

Amounts in Millions; Modified accrual basis of accounting

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General Fund expenditures here for 2015 are \$181M. The largest category is Public Safety at \$110M followed by Public Works at \$23M and General governmental at \$21M.

General Fund Change in Fund Balance



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Beginning Fund Balance	\$ 11.6	\$ 14.3	\$ 19.5	\$ 14.4	\$ 16.4
Results of Operations:					
- Change of revenues vs. expenditures	(0.9)	0.8	(7.7)	(34.8)	(24.7)
- Transfers In & Other Sources	3.6	4.6	2.6	36.8	43.0
- Transfers Out & Other Uses	(0.0)	(0.2)	(0.0)	(0.0)	(3.1)
Net Results of Operations	2.7	5.2	(5.1)	2.0	15.2
Ending Fund Balance	\$ 14.3	\$ 19.5	\$ 14.4	\$ 16.4	\$ 31.6

Amounts in Millions; Modified accrual basis of accounting.

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General Fund

Components of Fund Balance (3)

Summary as of December 31st



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Restricted/Reserves	\$ 0.3	\$ 1.3	\$ 1.0	\$ 0.7	\$ 1.0
Unrestricted	14.0	18.2	13.4	15.7	30.6
Total Fund Balance	\$ 14.3	\$ 19.5	\$ 14.4	\$ 16.4	\$ 31.6

Amounts in Millions; Modified accrual basis of accounting

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I had spoken earlier about the Fund Balance of the General Fund. You can see that in the yellow line below and how that's split up is there are various reserves, some restricted reserves and others unrestricted so you can tell that our reserves—we talk about the General Fund Reserve but in order to make it a truly reserved amount, there needs to be a policy that actually talks about guidelines for how to gain access to the reserves and then how to replenish it when there's an economic downturn and then how to replenish it when the economy gets better.

General Fund Expenditure Coverage



	<u>2013</u>	<u>2014</u>	<u>2015</u>
Unassigned Fund Balance	\$ 12,434,668	\$ 14,775,610	\$ 27,726,681
Total Expenditures	\$ 180,016,016	\$ 185,044,505	\$ 181,645,259
Unrestricted Fund Balance as a % of Total Expenditures	6.9%	8.0%	15.3%

Number of Months:	1	1	2
<i>GFOA Recommendation: 2 to 4 months</i>			

Modified accrual basis of accounting

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Typically when we talk about the General Fund expenditure reserve, the percentage, it's what we call the expenditure coverage. We often talk about how it should be 10% of total expenditures. In the past three years it's been at 7%, 8%, and this past year it was at 15%. The reason that it's

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higher in '15 is because we got one special payment which you'll see later on. It's \$9.5M related to the land sale for Cerner.

Below you'll see that you take that amount and you divide it by 12 months and you see how many months that the unassigned fund balance will get you. Basically, what it's telling you is how many months can you go if you were not to collect any revenue, which, of course, is not something that would actually happen. It is a good measure to make sure that the city has enough liquidity and that you have enough to maintain your operations. In the past years, it's only been one and we've jumped up to two. GFOA recommends two to four, depending on how big your city is. Two would be a good target to go for.

That completes my presentation on the General Fund.

UG Financial Oversight

- Internal controls of financial transactions by Finance Department Staff and UG departments
 - Accounts payable warrants – 24,000 p/year
 - Monthly account reconciliations – 1,100 p/year
 - Journal entries – 1,400 p/year
 - Purchasing card reviews – 3,000 p/year
 - Pay checks processed – 60,000 p/year
- GFOA Award for Excellence in Financial Reporting for 16 consecutive years

I did want to recap a little bit about what it takes to oversee and execute all the internal controls of the city's financial transactions. It's not just the Finance Department and the Accounting Division, but also it's a partnership with all the other UG departments because many of them are out there entering invoices, purchase orders, reviewing documents. It's a whole team effort to make sure that we're properly reviewing documents and paying the bills for the city in a prudent way.

Generally, there are 24,000 accounts payable invoices or warrants that are processed every year. We do reconciliations of 1,100 per year. We process journal entries of 1,400. Purchasing card reviews, invoice reviews, 3,000 per year. We also process 60,000 paychecks every year. It's a significant effort.

The very last thing, I actually wanted to congratulate Rick Mikesic and his team, also Pam Kahao because they have worked very hard to get this financial audit completed. Rick's been a tremendous addition to the Accounting Division and he has been instrumental in the Unified Government getting the GFOA Award for Excellence in Financial Reporting for the last 16 years in a row. I want to thank you for that.

Mayor Holland said we do appreciate the work on our Accounting side. We do appreciate the audit. The auditors do work for the Board of Commissioners. It is the check and balance within the Unified Government to make sure that all finances that our staff works on are properly handled and we have been given another clean bill of health. It is important for the public to know that we receive an award every year for the Excellence in Accounting and Financial Reporting because of this office. I think people can rest assured that the finances are well managed here each and every year.

Commissioner Johnson said I'm just curious, the long-term debt for the KPERS, will there be any other related entries in the financial statements outside of the liability that we see. In other words, will it have any impact upon the income and expense side of the financial statements or will there be any other transactions that will happen on the asset side at all. Is it just a liability entry on the balance sheet? **Ms. VonAchen** said right. It's a net liability, right. The revenues—when the actuaries put it together, they balance the contributions made by the employer minus the liabilities or the pension payments due. That net, that one number is recorded as a net liability. **Commissioner Johnson** said a net liability. **Ms. VonAchen** said that's right. There are no asset or revenue amounts that are entered.

Commissioner Johnson said there was one of the early slides you were showing that we showed a negative balance, I think, somewhere of like \$85M. Do you recall that? **Ms. VonAchen** asked the \$55M, yes. **Commissioner Johnson** asked how are we trending. In other words, how do we see that playing out 2016, 2017? I know we don't have a crystal ball but what is your—what do you suspect will occur? **Ms. VonAchen** said the key point to make here is that the Unified Government is actually making the full required contribution towards the employee pensions. There isn't any kind of amount that's short, per se. As the years progress toward that 30, I expect that dollar amount to go down, the net liability to go down. It kind of depends on the

investment performance of the KPERS Pension Fund. **Commissioner Johnson** said sure. **Ms. VonAchen** said if all assumptions stay equal and they perform well as expected, then it will go down.

Commissioner Johnson said my last question is something that maybe we can talk about at a later time. I've always been curious what our debt service coverage would be on our long-term debt. I don't know if we measure that universally across all of our debt or if it's broken down depending on what type of debt it is. **Ms. VonAchen** said we do debt service coverage for all of our enterprise debt and economic development debt. It's not really a measure often used for general obligation, but yes, we can do that. We look at per capita debt and so forth. I haven't brought that with me.

Mayor Holland presented the GFOA Award for Excellence in Financial Reporting to Rick Mikesic, Accounting Manager.

Action: **For information only.**

ITEM NO. 2 – 16627...RESOLUTION: SALE OF UG PROPERTY AT 10041 LEAVENWORTH ROAD

Synopsis: A resolution authorizing the sale of UG property located at 10041 Leavenworth Road to Hodges' Properties, LLC, submitted by Charles Brockman, Management Analyst, Economic Development. Hodges plans to make certain improvements to the property, including a first-class veterinary hospital. This item was scheduled to appear before the Economic Development and Finance Standing Committee, chaired by Commissioner McKiernan, on June 6, 2016. It was requested, and approved by the Mayor, to fast track this item to the June 9, 2016 full commission meeting.

Doug Bach, County Administrator, said, Mayor, this was before a standing committee Monday night. It was requested to be fast tracked. It's an additional project being worked on by Economic Development. Since they had a couple of the big ones, they also wanted to do a small business one.

Action: **RESOLUTION NO. R-54-16**, “A resolution whereby the Unified Government Board of Commissioners hereby approves the sale of the property located at 10041 Leavenworth Road, Parcel 243204, by the Unified Government to Hodges’ Properties, LLC, to make certain improvements to the property, including a first-class veterinary hospital for the treatment of dogs, cats and other small pets, consisting of approximately 5,965 sq. ft. of office space, exam rooms and kennels, plus associated parking for staff and visitors and an outdoor exercise yard for dogs.” **Commissioner Walker made a motion, seconded by Commissioner Philbrook, to adopt the resolution.** Roll call was taken and there were ten “Ayes,” Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

ADMINISTRATOR’S AGENDA

ITEM NO. 1 – 16643...RESOLUTION: APPOINTMENT OF COUNTY APPRAISER

Synopsis: Resolution appointing Katherine Briney as the Wyandotte County Appraiser for the remainder of the current County Appraiser's term, expiring June 30, 2017, submitted by Joe Connor, Assistant County Administrator.

Action: **RESOLUTION NO. R-55-16**, “A resolution appointing Katherine Briney as County Appraiser for the Unified Government of Wyandotte County/Kansas City, Kansas, as of June 9, 2016, and shall remain in effect for the remainder of the current County Appraiser’s term, expiring June 30, 2017, or until the position is deemed vacated prior thereto.” **Commissioner Walker made a motion, seconded by Commissioner Johnson, to adopt the resolution.**

Doug Bach, County Administrator, said I’d like to make one amendment to #4 of the resolution. It notes that she’s at range 15, it should be range 17 for this position.

Commissioner Walker said my motion includes your amendment. Commissioner Johnson said the second does too.

Mayor Holland said glad you’re here tonight. Thank you, and your team is here. Welcome to the Appraisers’ team. It’s always good to see you here.

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Roll call was taken and there were ten “Ayes,” Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

ITEM NO. 2 – 16647...PRESENTATION: COUNTY ADMINISTRATOR’S REPORT

Synopsis: Presentation of the County Administrator’s Report, submitted by Doug Bach, County Administrator.

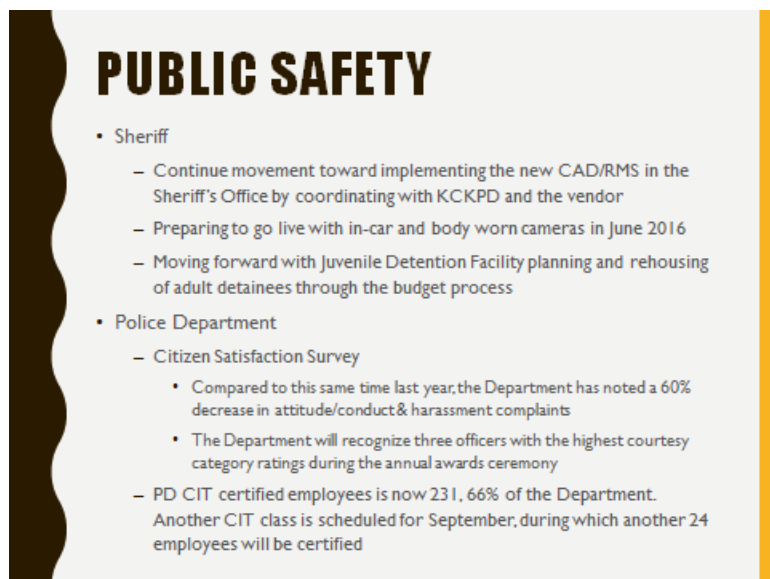


Doug Bach, County Administrator, said I’ve submitted to you electronically and there’s a hard copy available here tonight if you would like it as well. I will move through and just probably conduct a few highlights.



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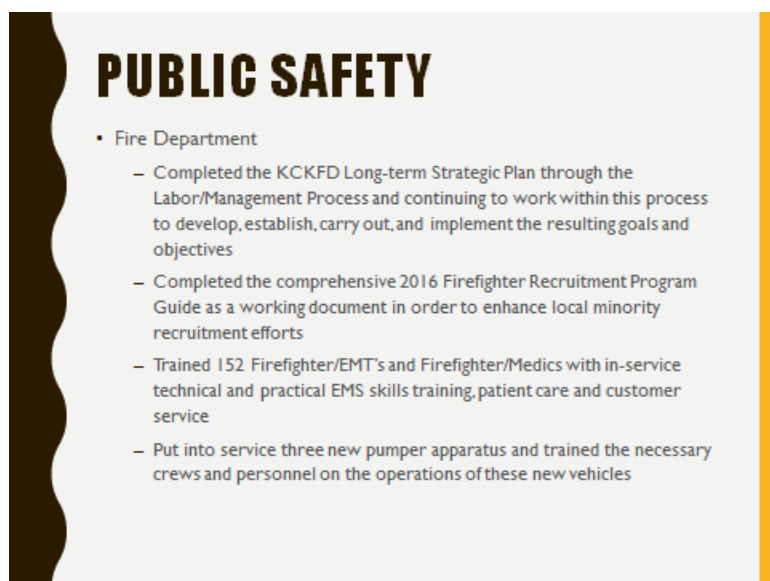
I've covered several areas within this report. I'll start with Public Safety.



PUBLIC SAFETY

- Sheriff
 - Continue movement toward implementing the new CAD/RMS in the Sheriff's Office by coordinating with KCKPD and the vendor
 - Preparing to go live with in-car and body worn cameras in June 2016
 - Moving forward with Juvenile Detention Facility planning and rehousing of adult detainees through the budget process
- Police Department
 - Citizen Satisfaction Survey
 - Compared to this same time last year, the Department has noted a 60% decrease in attitude/conduct & harassment complaints
 - The Department will recognize three officers with the highest courtesy category ratings during the annual awards ceremony
 - PD CIT certified employees is now 231, 66% of the Department. Another CIT class is scheduled for September, during which another 24 employees will be certified

Just note, one of the major activities we're doing during this period is we're preparing to go live with the in car and body-worn cameras. It should go live this month. Also I'll note down at the bottom of the page you'll see that the Police Department has over 231 of their employees or 66% now trained in CIT. As we move forward, we'll get another 24 done in September as we move to get the entire force trained in this area which, I believe, is the direct result in helping to reduce our prisoner population and the way they interact with individuals on the street.



PUBLIC SAFETY

- Fire Department
 - Completed the KCKFD Long-term Strategic Plan through the Labor/Management Process and continuing to work within this process to develop, establish, carry out, and implement the resulting goals and objectives
 - Completed the comprehensive 2016 Firefighter Recruitment Program Guide as a working document in order to enhance local minority recruitment efforts
 - Trained 152 Firefighter/EMT's and Firefighter/Medics with in-service technical and practical EMS skills training, patient care and customer service
 - Put into service three new pumper apparatus and trained the necessary crews and personnel on the operations of these new vehicles

Under the Fire Department, I'll note that we put three new pumpers in service this spring which is a great asset to our fleet.

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PUBLIC SAFETY

- Fire Department
 - Trained all personnel in the use of the new CAD/RMS (computer Aided Dispatch/Records Management System), the NFIRS (National Fire Incident Reporting System), and brought Phase I of the project online
 - The Fire Safety Trailer was utilized by the Fire Prevention Division to teach fire safety and prevention to 832 children and 64 adults
 - The Fire Prevention Division conducted scheduled fire safety programs for 438 adults
 - The Fire Prevention Division provided for and installed smoke detectors for home owners
 - Opened recruitment for new pre-apprentice firefighter trainee program

Several different training opportunities also happening at the Fire Department which are highlighted here.

PUBLIC SAFETY

- Municipal Court – Charges Filed During the Reporting Period
 - 11,584 cases were filed in the Kansas City, Kansas Municipal Court in the 1st Quarter of 2016. Those cases range from traffic violations to crimes against persons and property.
 - Multiple charges could, and do stem from a single instances of citation.
 - The vast majority of charges filed, 7028, are Traffic Violations at 61% of all charges filed this quarter

I'll also note under Municipal Court, 11,584 cases have been filed so far.

PUBLIC SAFETY

- Juvenile Services
 - Juvenile Detention Alternative Initiative (JDAI) working with Juvenile Court continues to reap benefits for the County. Numbers of youth detained and in custody (out of home placement) continue to track downward. This results in savings in local detention costs and in harm reduction to the youth and families of our county:
 - Average Daily Population in Juvenile Detention (ADP)
 - 2007 – 45
 - 2010 – 39
 - 2015 – 33
 - As of 5/6/16 the population is at 24
 - Number of youth in state's custody placed out of home
 - 2007 – 247
 - 2010 – 21
 - 2015 – 198
 - March 2016 – 173

Juvenile Services, several different statistics are put forth here. I think what you'll note by this report is the trend downward in the average daily population in both juvenile detention and then those placed out of home.

INFRASTRUCTURE

- 2015 Crack Seal Project bid in January, construction began April 2016
- Merriam Lane, County Line Rd to 24th bid in January, construction began May 2016
- State Ave & Village West Parkway/110th St. Resurfacing completed in May
- Submitted applications to MARC for 2016 round of Federal Funding
- CDBG projects designed and bidding first week of April and are under construction to be completed before 8/1
- 72nd & 55th Street intersections along Leavenworth Road started construction in March
- Kaw Point Connector Trail bid in January, Notice to Proceed was March 21st and construction is underway
- Design Continues on Leavenworth Rd from 38th to 63rd
- Central Ave Corridor in final design and bid in April
- 10th and 12th Bikeway in final design and bid in April
- 43rd Pedestrian Crossing in final design and bid in April
- 18th & Central Ave bids were opened in March

Infrastructure, I won't go through each one of these. Included with my report, we have all the different infrastructure projects that have started this year and taking place.

INFRASTRUCTURE

- Storm Sewers
 - 35th St. Box Culvert at Merriam Lane bid in January, construction to begin in April
 - Stony Point Phase 1 began Construction in March.
 - Stony Point Phase 2 under design
 - Turkey Creek Channel Clearing for annual Operation and Maintenance
 - Turkey Creek Tunnel Repairs underway
 - Turkey Creek Missouri interceptor was awarded. **This is the last project of the Turkey Creek program**
 - Design started on Stone Haven neighborhood storm sewer project

Also the same thing with storm sewers.

CUSTOMER SERVICE

- Health Department
 - PHD gave a facelift to the client interview area for our Family Planning and Prenatal services by installing new lighting and carpet, making the areas more client-friendly and professional looking
- Public Works
 - Engineer of the Month calls – had a 280 calls in the first quarter with 95% of them being addressed and closed out.
- Conducted Community Survey
- DOTS, HR, Appraiser, Public Safety, and Public Works attended Career fair at Oak Ridge Baptist Church

Under Customer Service, a few different activities going on. Probably the one that I would highlight is the big one on this which was pressed by the Commissioners is that of conducting the community survey which gave us direct feedback as to where we should be directing our services.

INNOVATION

- Technology SharePoint team created in-house Point-of-Sale system for the Sheriff's Office. Over \$8000 in sales have been processed this quarter
- Completed paperless warrant process for the District Attorney. Warrants may now be issued, notarized, and served on site, eliminating 90% of paper and 75% of total travel. Worked in partnership with the Secretary of State for e-notarization
- Shared internal SharePoint technology resources and development with Police and Fire Departments eliminating their need to duplicate investments
- Completed development of a Tax Clearance web service as a part of the Core4 Tax clearance initiative
- Datacenter team completed the installation and configuration of the dedicated Storage Area Network for the Sheriff's Bodycam implementation. Technology installing outdoor Wireless Antennas.

INNOVATION

- Deployed new internal IT service desk and service satisfaction survey and a new CRM technical architecture for 311 Call Center
- Created 4 of 12 departmental input/action/output process diagrams to visualize business unit dependencies, gaps, relationships, and data flow as a part of the SOAR initiative to "Fight Blight"
- Completed 3-year plan to upgrade all Unified Government offices and buildings to Gigabit Networking. All of City Hall will be upgraded in 2016
- A new paperless workflow initiative between the Appraiser's Office and the Register of Deeds was implemented and has proven to be successful on paperless transmittal of deeds, SVQ's and other legal document retrieval. This has streamlined processes by eliminating the need to make paper copies, enabling us to process the work in more of a timely and efficient manner

Under Innovation, our SOAR efforts, and this is really a staff initiated directive working toward changing blight and bringing together many different departments. They've been actively looking to this, continued participation throughout the various areas. We have our research team and communications how we're bringing force. There should be some recommendations we're bringing forth in our budget to help assist with this as well.

Completed our paperless warrant process for the District Attorney's warrants. Now issued, notarized, and served on site eliminating 90% of the paper and 75% of the total travel time that they spend in this area.

Completed a three-year plan to upgrade all UG offices and buildings to a gigabit network. All of City Hall will actually be upgraded in 2016 as we move to do this throughout all our different buildings.

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ECONOMIC DEVELOPMENT

- Hilton Garden Inn – Sold to Fairwood Capital LLC
- Closed Parking Garage – Sold to Privatera for proposed \$1M redevelopment
- 30 new single family homes located at 223 N. 65th Street
- Land Bank – 13 properties sold for \$13,512.00; this includes the reimbursement from Mission House Network, Inc. for demoing 907 Ann Avenue

In Economic Development, while we had several big projects come forward tonight, previously this year we completed the sale of the Hilton Garden Inn, closed on parking—it always looks when you use the term closed that parking garage had been closed for a number of years, but we closed on the sale of that property to Privateras who are going to put a million dollars into the redevelopment of it in the downtown area.

Open 30 new single-family homes on North 65th Street.

Our Land Bank sold 13 properties but notable on that, they were worth over \$13,000 which is a little bit different than our normal sale price.

PLANNING

- Continued progress on the Rosedale and K-32 Master Plans
- Sign Code to be adopted by the Board of Commissioners on May 26th
- New Planner hired
- Continue to implement the new food truck and farmer's market policies.

In Planning, I think you're all well aware the three major plans have been taken place with Rosedale, K-32 and the quiet zone all taken place, and our sign code as well.

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HEALTHY COMMUNITIES

- Parks and Recreation
 - Trail Nerds hosted 3 runs at WYCO Lake Park
 - Psychedelic 5K
 - Psycho WYCO
 - Mrs. Robinson's Romp
 - In partnership with the YMCA and Latino Health For All Coalition, two free soccer clinics were held at Waterway Park and Shawnee Park
 - The University of Kansas hosted The Sunflower Cup Rowing regatta at Wyandotte County Lake on 4/30/2016. Kansas City, KS Special Olympics sponsored a concession stand to raise money for their activities
 - Opening Day of Fishing began March 5th
 - 2nd Annual Easter Egg Hunt held at JFK Community Center on March 26th
 - Arbor day was celebrated by planting a tree at Wyandotte County Lake Park on April 29th
 - Irish Road Bowling held at Wyandotte County Park on April 30th
 - Had booths at the Women's Health Fair, Kiwanas's Bike Rodeo, and New Bethel Community Block Party

HEALTHY COMMUNITIES

- Parks and Recreation
 - Special Olympics Bowling – The KCK Huggers Special Olympics team hosted the New Year's Bowling Kickoff on January 2nd with 118 participants
 - Special Olympics Basketball – The Special Olympics Basketball program had 82 participants for the season that lasted from January until March
 - Fitness Programs – KCK Huggers hosted weekly activity and exercise classes that include art and yoga. There were an average of 22 participants each week
 - KCK Huggers Valentines Dance – 98 Participants dressed up and enjoyed music and refreshments at the dance
 - Bowlathon – KCK Huggers hosted a bowl-a-thon fundraiser with 146 participants
 - Metro Special Olympics Track and Field – 75 Athletes participated in this tournament
 - Sports – Participated in Sports programs: (Basketball 484, Indoor soccer 510, Adult Volleyball 92, Futsal 70, Tennis 35, Basketball, and clinic 121)

Under Healthy Communities, there's a series of different projects that were going on from our Parks & Recreation Department, which is where we reported on each time. This shows all the different events that have been happening in the community. There are a couple of different slides that reference that.

HEALTHY COMMUNITIES

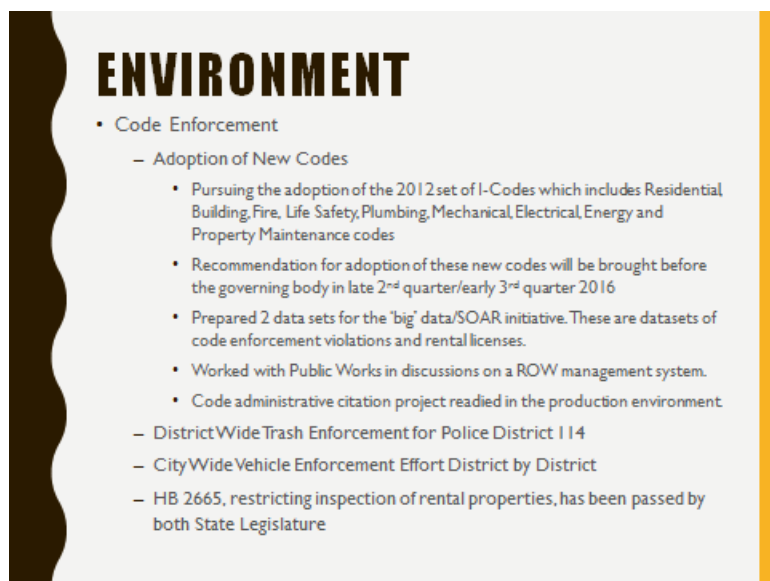
- Health Department
 - Community training was held for child care providers concerning Severe Weather Preparedness to guide planning and response at child care facilities to severe weather
 - Harmon High School started a prenatal clinic for prevention of subsequent pregnancy, reduce absenteeism from school, and help the client set and complete educational/vocational goals
 - Drive Wisely Wyandotte coalition started a four-month strategic and action planning process, with the goal of reducing crash-related deaths & injuries in Wyandotte
 - Emergency Preparedness staff completed the baseline year Medical Countermeasure Operational Readiness Review which measures Wyandotte County's ability to receive, distribute, and dispense the assets of the Strategic National Stockpile to all residents in Wyandotte County within 48 hours of request
 - Emergency Preparedness staff participated in the MARC region's tabletop exercise (TTX) to discuss a continued 50-days of prophylactic treatment for exposure to anthrax, post the initial 10-day dosing. This was a first-of-its-kind in the nation TTX

Also, within the Health Department, I will note here Harmon High School has started their prenatal clinic for prevention of pregnancy and reduce absenteeism from the school. It's a notable project that was going on in that area.

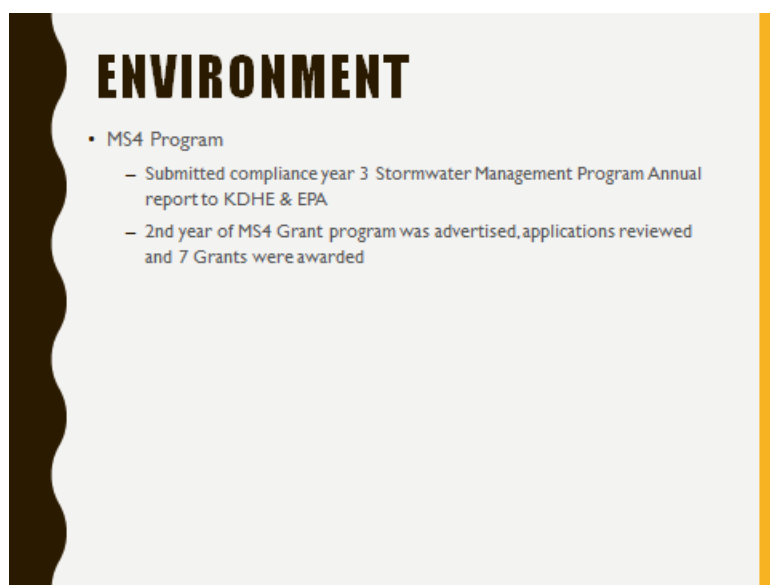
HEALTHY COMMUNITIES

- Health Department
 - Bonner Springs became the 8th regional municipality to raise the purchasing age of tobacco to 21 on March 28
 - Personal Protective Equipment (to be utilized with highly infectious diseases) training for nurses and lab personnel was conducted by Emergency Preparedness personnel
 - Staff receiving hands-on training from experts at CDC and Rice University to create maps to address chronic disease and health disparities, inform policy and program decisions, enhance partnerships with external agencies, and facilitate collaboration within our own agency. This capacity-building project is a joint undertaking of the US Centers for Disease Control and Prevention, the National Association of Chronic Disease Directors, and Rice University
 - Healthy Communities Division staff supported the HCW Infrastructure Action Team to formally submit 2 recommendations to the Public Works department to fund further bicycle corridor development. One of these recommendations—a corridor on Metropolitan/Strong Ave through downtown Argentine—was submitted for federal funding to MARC in March

Then we continue the list here. You see that Bonner Springs became the eighth regional municipality to raise the purchasing age of tobacco to 21 as we did here in the city of Kansas City, KS.



Under Code Enforcement, several different activities happened here. I'll take note down at the lower, the District Wide Trash Enforcement, which is in Police District 114, which I think goes across Commission Districts 2 and 4 in different areas in the downtown. We'll be continuing that throughout.



A couple of different environmental programs that we've been working on for this Commission goal. We submitted the compliance year three Stormwater Management Program and our annual report to KDHE and EPA.

FINANCE

- Successful issuance of long-term bonds (\$26.8 million) and temporary note financing (\$65.8 million); Interest rates were below 2.8% for 20-year general obligation bond financing and 0.7% for single-year tax-exempt temporary notes (February 2016)
- Issued two Public Building Commission Bonds (Unified Government Medical Clinic & Board of Public Utilities Office Building) totaling \$8.6 million (February 2016)
- Issuances of the Wyandotte Plaza Special Obligation Refunding and Improvements bond issue (February 2016)
- A \$23.7 million general obligation refunding resulted in a \$3.2 million savings or a net present value savings in excess of 11%. (March 2016)

Under Finance, they completed all our bond issues earlier in the year for both our GO bonds and then also looking at what we do from the Public Building Commission.

FINANCE

- Issuance of the 39th & Rainbow Special Obligation Tax Increment Refunding Revenue bonds (March 2016)
- Maintained strong credit ratings by Standard and Poor's (AA) and Moody's (A1), both with stable outlook; However, both agencies have cited the need to maintain and improve fund balance.
- Budget prepared budget instructions, provided an overview of the upcoming budget process and held over 40 budget review meetings with Unified Government departmental and CAO staff.
- Pre-budget public hearing to receive citizen input in February 2016
- Completed annual renewal of property and casualty insurance programs

Additionally on Finance, we had special projects we were working on. Those are related to development and refinancing that are associated with that like the 39th & Rainbow Project, which is referenced here.

FINANCE

- Paid all retroactive pay increases as required for by new labor contracts
- Began a major upgrade to the financial system software, and for the first time
- Research Division completed monthly/quarterly updates of key socio-economic data, including unemployment rate, building permits, foreclosures, and the Unified Government's annual building permit reports (2015 summaries)
- Payroll prepared and distributed ACA form 1095 for the first time
- Conducted Community Survey: Total of 3,175 surveys were received; surveys were sent to 28% of Wyandotte County residences. (April 2016)
- Responded to over 100 information requests from UG staff, administration, other government entities, citizen groups, citizens, and students.
- Treasury completed the 2nd half property tax billings for the County (May 2016)

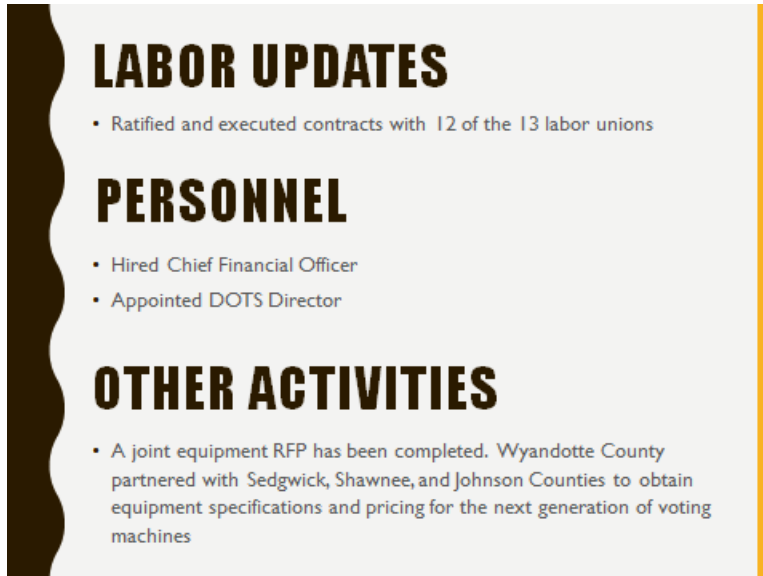
There are many services that go on through Finance as we've completed 12 of our 13 labor contracts. That includes a series of back pay or retroactive pay so that's just not a simple press the button and everybody comes out the same there. It involves quite a bit of work. You'll see many other activities that have happened in that area for that first quarter and a half of this year.

FINANCE

- Appraiser
 - Real Estate Notice of Values (approx. 68,000) mailed on April 1st, with the Informal appeal deadline of May 2nd
 - 989 appeals were received
 - 742 for residential, 247 for commercial.
 - Appeals levels are lower than the 2015 (1,586) and 2014 (1,104)
 - Conducted over 5,500 on-site or desktop review inspections. First quarter inspection counts far exceed prior year's.
 - Executed successful new workflow with Property Valuation Division on paperless transmittal of Sales Validation Questionnaire for compliance/ratio study purposes
 - In-house training was provided to 2/3 of the staff by the Kansas Department of Revenue Property Valuation Division on-site
 - Staff was reorganized to create an improved workflow and management structure
 - Transfers within the Department were effectively implemented so that experience of present staff was recognized with continuity being the goal

Under the Appraiser's Office, and I'll note we had not had reports, I think, coming out of the Appraiser's Office to include here so I put it under the Finance area so I was glad to get that. Noting the number of appraisals that were conducted in the city and appeals received which have all been processed and worked through. You can find all these details as you go through the report as well.

June 9, 2016



LABOR UPDATES

- Ratified and executed contracts with 12 of the 13 labor unions

PERSONNEL

- Hired Chief Financial Officer
- Appointed DOTS Director

OTHER ACTIVITIES

- A joint equipment RFP has been completed. Wyandotte County partnered with Sedgwick, Shawnee, and Johnson Counties to obtain equipment specifications and pricing for the next generation of voting machines

As I mentioned earlier, we ratified 12 of 13 labor union contracts. Please continue to keep that moving forward. Two big hires during this time period were that of a Chief Financial Officer and the Department of Technology Director.

A joint RFP completed with Wyandotte County where we partnered with other major counties to go forward and figure out new voting machine equipment, so we'll be moving forward and you'll see that in this year's budget.



COMMISSION COMMUNICATION

- Spring Strategic Planning Session
- Weekly Notes
- Emergency Notification System – utilized 11 times
- On 3's
 - Turner Commerce Center
 - Appraiser's Annual Report
 - Consent Decree Update – WPC
- Statehouse News
- Individual Commissioner meetings with Administrator and/or staff

Commission Communication is a report each year: the weekly notes, emergency notification, on threes, Statehouse news.



Citizen Communication, I think it's notable to point out that we have over—the UG website hit more than 2.8 million times. We breakout where these are done mostly it's the UG's homepage that sees the action. If you'll note and you add these up, it's a pretty small percentage on the overall that comes up. It shows that people that go to our website is really delineated out that most people go to a whole lot of different areas because everything has about a percent associated with it to get through.

Over 3,300 subscribers to our newsletters, 2,300 on Facebook, 2,200 on Twitter, and over 4,400 for the Nextdoor followers.

As we look to ways to improve communications, I think we can clearly see that there are a lot of people looking at and viewing our information. It's probably come to the point that it's just a high demand from the public to see and hear a lot about what's going on, not to mention our UGTV where we're broadcasting all this tonight.

Commissioner Bynum said on the appraisal part, I think I saw 68,000 appraisals. Is this right?

Mr. Bach said yes. **Commissioner Bynum** said and 989 appeals. That's 1.4%. That strikes me as low. **Mr. Bach** said it is a good number. I think, Kathy, you can correct me if I'm wrong, I think we had around 1,500 last year so I believe it's a good number and down from where we were a year ago.

Commissioner Walker said, Doug, when you said Technology Officer, where are we at with the Chief Knowledge Officer? **Mr. Bach** said I'm in the final stages of that selection process. I am

literally down to—we have narrowed it down to the finalist and should be making a selection within the next couple of weeks for you.

Action: For information only.

ITEM NO. 3 – 16650....RESOLUTION: ACCEPTANCE OF HISTORIC PRESERVATION FUND GRANT

Synopsis: A resolution authorizing the County Administrator’s Office to accept the Historic Preservation Fund Grant, fund the match, enter into a grant agreement and comply with its terms, submitted by Susan Alig, Attorney.

Susan Alig, Legal Dept., said I just ask the Commission to adopt this resolution to accept the grant.

Action: **RESOLUTION NO. R-56-16,** “A resolution authorizing the County Administrator to negotiate and execute a grant agreement with the Kansas Historical Society in connection with a \$30,000 grant for roof repair and wall stabilization of the historic property located at 2511 Metropolitan Avenue.” **Mayor Holland made a motion, seconded by Commissioner Philbrook, to adopt the resolution.** Roll call was taken and there were ten “Ayes,” Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

COMMISSIONERS’ AGENDA

ITEM NO. 1 – 16648....REQUEST: 2016 UG-HOLLYWOOD CASINO-SVV GRANTS

Synopsis: Request approval of the recommendations for the 2016 UG-Hollywood Casino-SVV Grants, submitted by Joe Connor, Assistant County Administrator.

Joe Connor, Assistant County Administrator, said there was one change to what you have in front of you so I wanted before you consider voting on this item, I wanted to make sure that was in the record. Under Commissioner Townsend’s allocation, she would like to add \$600 to the Historic Northeast Midtown Association, bringing that total to \$5,000. She’d also like to reduce

the United Way of Wyandotte County's grant to \$10,600, for a net reduction of \$600. So she has moved \$600 from one grant to the other. It leaves the allocations the same.

Mayor Holland said there was also a clarification on the amounts. **Mr. Connor** said correct. A couple of clarifications for this report, again, with Commissioner Townsend's allocation I wanted to make sure everybody was aware that her allocation for this year was \$5,000 more than everybody else. The reason for that is that last year's grant, \$5,000 was returned. We went through standing committee and full commission to authorize Commissioner Townsend to reallocate those funds this year, which she has done.

There are two grants that are less than the total amount that's available to be granted; that's Mayor Holland and Commissioner Kane's. They're withholding those additional funds for a grant in this grant year but for a future grant allocation. **Mayor Holland** said for next year's allocation potentially. **Mr. Connor** said correct.

Action: **Commissioner Bynum made a motion, seconded by Commissioner Kane, to approve as presented.** Roll call was taken and there were ten "Ayes," Walker, Townsend, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

LAND BANK BOARD OF TRUSTEES' AGENDA

No items of business.

PUBLIC ANNOUNCEMENTS

No items of business.

MAYOR HOLLAND ADJOURNED

THE MEETING AT 8:38 P.M.

June 9, 2016

cg

Bridgette D. Cobbins
Unified Government Clerk

June 9, 2016