

**ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES**

Monday, February 1, 2016

The meeting of the Economic Development and Finance Standing Committee was held on Monday, February 1, 2016, at 6:10 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner McKiernan, Chairman; Commissioners Walker, Townsend and Murguia. Commissioner Walters and BPU Board Member David Alvey were absent. The following officials were also in attendance: Gordon Criswell, Assistant County Administrator; Joe Connor, Assistant County Administrator; Melissa Mundt, Assistant County Administrator; Ken Moore, Chief Legal Counsel; Lew Levin, Chief Financial Officer; Reginald Lindsey, Budget Manager; Debbie Jonscher, Assistant Finance Director; George Brajkovic, Director of Economic Development; Dennis “Tib” Laughlin, General Services Director; Sharon Reed, Purchasing and Compliance Director; and Maureen Mahoney, Assistant to the Mayor/Chief of Staff.

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

Approval of standing committee minutes from December 7, 2015. **On motion of Commissioner Townsend, seconded by Commissioner Walker, the minutes were approved.** Motion carried unanimously.

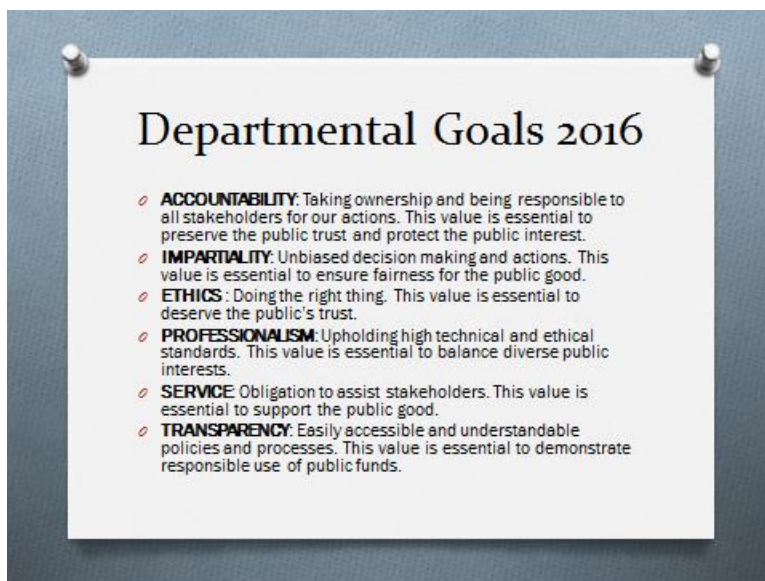
Measurable Goals:

Item No. 1 – 16362...MEASURABLE GOALS: PURCHASING AND COMPLIANCE DIVISION

Synopsis: Presentation and discussion of the 2016 measurable goals for the Purchasing and Compliance Division, submitted by Dennis Laughlin, General Services Director.

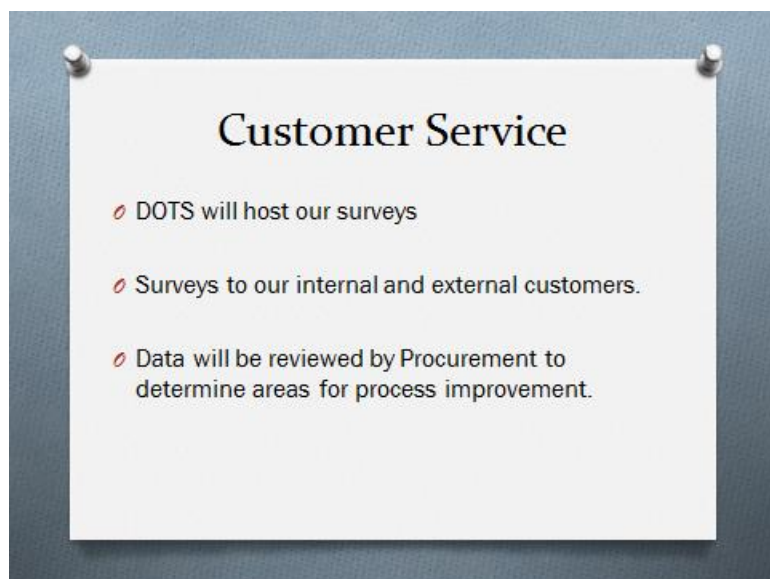
Melissa Mundt, Assistant County Administrator, said tonight we have Sharon Reed here from Purchasing and Compliance and she is making a transition from reporting directly to me to Mr. Laughlin.

Sharon Reed, Purchasing and Compliance Director; said Procurement and Contract and Compliance from last year, one of our goals was to implement a survey for our department and actually we tried to set that up. We were successful internally and externally, but we had a hard time marketing it. I think we received a total of five internal and about ten external and then it went flat. Part of this is to show you how we're going to move forward.



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Our departmental goals for 2016, Accountability, for us to take ownership and to preserve the public's trust. Impartiality, unbiased decision making and actions to ensure fairness to the public good. Ethics, doing the right thing so we can deserve the public's trust. Professionalism, upholding the highest technical and ethical standards and to balance the public interest. Service, obligation to assist our stakeholders and the value of support for the public good. Transparency, to have easy accessibility, understanding and to be responsible for public funds.



We're kind of going to get on the bandwagon with the Clerk's Office; DOTS is going to host our surveys. We're going to survey for our internal and external customers. We're going to review the data so we can determine our process improvements. This is just a sample of our survey that we're putting together as we move forward.



What are we looking for, to know what areas that we need to improve, understand and listen to the needs and wants of internal and our external customers and to formalize a plan of action.

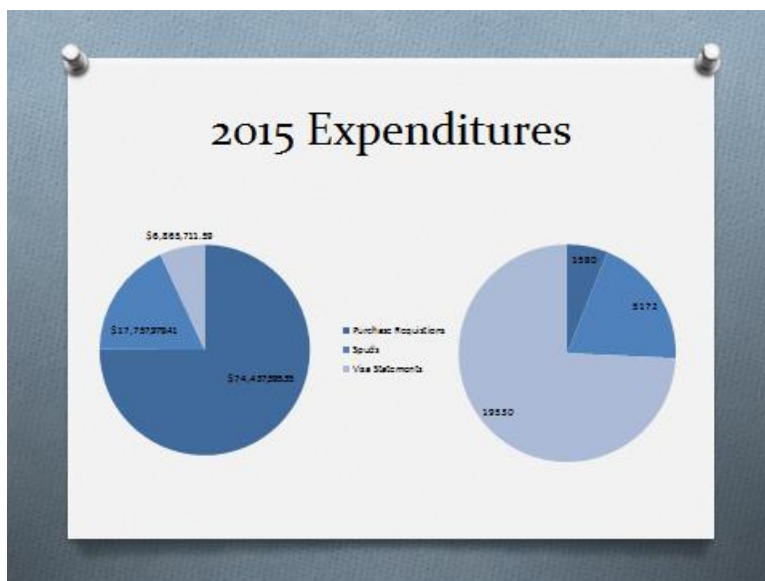


We recently implemented in August of 2015 our new eProcurement site, so this is our dashboard. This dashboard, automatically when a supplier goes in there to register we can get the number of suppliers, we’ll get the numbers of our MWBEs and then our number of local suppliers. As of August of last year, this is the total number that we have to date.

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How do we intend to increase our vendor database, more visibility in our community, vendor fairs and partnership with BPU on how we can do business? In 2014 we partnered with BPU and we put on a Let's Talk Initiative where we had local vendors, where we invited them in to showcase their services and it went very well. We also partnered with Business License and with our Accounting Department to kind of show them how the business process works and participate in the promotion of minority and women owned businesses and how to do business with the Unified Government.



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These are our expenditures for 2015. It shows the number of purchase requisitions that we did for 2015, our number of SPD's (Special Payment Document) and our Visa statements also equated with the dollar figures that we produced.

Ms. Mundt said I guess what we were doing last year was kind of setting a baseline for ourselves and then on what they're going to be working on this year is looking at more detail on sort of where we can do better based on the data that we're getting on the surveys particularly and now they have a baseline data for at least five months, I guess four months; of our suppliers and the types of things that are moving through our eProcurement website. Then we'll want to start establishing some matrixes once we have an idea of what we're trying to head as far as the customer service component is concerned. This was all done before we had a lot of that data rolling in, but that's the direction we'll be heading with this. Sharon and I have been talking and Tib will be picking up in that area.

Commissioner Murguia said I know we ask everybody a lot of questions and now no one's asking anything. I'll just tell you from my perspective as a commissioner we don't get a lot of constituents complaining about the procurement process, at least I don't. I didn't even really understand procurement until the last couple of years and how it works. I know you're new so I just didn't want you to feel bad like we didn't care because I do care and I'm glad that you're working to make it better. It's not a piece that I think politicians really have much direct contact with unless you guys do.

Commissioner Walker said I was going to say the same thing. I don't recall in the little over two years a single complaint about procurement. I think there's a general feeling that are we doing a good enough job in minority defined recruitment, maybe that's not the right word, but involvement in our procurement process. I know numbers are misleading. I was surprised there were 330 minority local businesses listed. I guess it's a matter of who you would ask. I suppose there are people either have not been able to participate or don't know how to participate, but aside from encouraging the continued vigilance of local and particularly a local minority community that wants to participate. I suppose when we have nothing to say, that's a good

thing. **Ms. Reed** said that's a good thing. **Commissioner Walker** said because we're certainly quick about it when we have something bad to say.

Ms. Mundt said I think internally for us, on the customer service side with our internal customers is you know working to be there and be supportive when they're trying to get something out to bid. Our time to be able to assist them on that, to have standard supplied type contracts in place. There's a lot that Sharon and her staff do and then of course our Legal Department works with them on every contract they put out and our departments are working on those too. So efficiency and effectiveness of that if it's being done right, keeps everything moving much more quickly on projects. It also keeps us out of court if those things are done correctly too. I think there's a lot to be said about what we're going to learn from some of these surveys. I know Sharon knows there are a lot of new trends out there in the Purchasing world that we'd like to look at and how those might help save us money and be able to deliver services more effectively.

Commissioner Walker said I suppose since we're just talking and it's easy for us to give out ideas and more work for you and staff to do, I have to be honest; I probably haven't had a comprehensive review of the Procurement Code since I was employed here. Occasionally, there is an item on an agenda that does something, but I certainly would not feel opposed to the idea that as time goes on over the next year or two that we take a comprehensive look at the Procurement Code and see if there are efficiencies.

When it first was developed it was part of this new government and they, the staff and the Commission, were striving for a level playing board, no special consideration, anybody who competed and I always thought the Procurement Code was a little bit complicated for the small business person. It's yaa thick. You know they hand you a Procurement Code or you go to the code online now and it's a little bit daunting to read it all. I know probably your people help, but I would certainly suggest that perhaps we look at new trends in governmental purchasing and see what things we can do to make it, not necessarily easier for a particular group or person, but easier for everybody to come in and participate. The better the participation, theoretically the better the price we're going to get and the better the service.

I also thought why not require if you're going to put in a bid, you put in a survey. I suppose the problem with that is everybody would be afraid to give an honest survey for fear that we wouldn't get their bid then if they put in a bad survey. Yes, it would be a hard market to crack to get people to bother to fill out a survey because if you do it before, I mean if you do it after, well you're going to have people that are not happy because they didn't get the bid so you may not get an honest one. I don't know how you're going to find your market to get a statistically significant report.

Commissioner Townsend said just so I'm clear and maybe others watching will better understand when you're talking about who your internal and your external are, who's in those respective groups? **Ms. Reed** said the internal are the stakeholders within the Unified Government, the external are the constituents outside. **Commissioner Townsend** said the stakeholders being what, different departments within the UG. **Ms. Reed** said different departments and the people we interact with on a daily basis. **Commissioner Townsend** said you talked about actively promoting women and minority owned businesses with the Unified Government through a variety of means and methods. If you would just share with me what are the means and methods that are being used currently and what is the department looking at in expanding those methods or how. **Ms. Reed** said well currently every solicitation that goes out we require that we do a local minority women owned business within those solicitations, even in the RFP process. I think where we've lacked is we don't engage the minority women owned businesses to come in to see how we do business. So we're going to take a look and see how we can corner that market.

One thing that I did say is that we partnered with BPU in 2014 to do a "Let's Talk" initiative where we let the locals come in and where they had an opportunity to showcase their goods and services, but we also had a forum to where we educated them on how to do business and how to go through the business license process and what it was going to take—the vendor number and have that process work and that was very enlightening for them. We're going to do another one and include the minority and women owned businesses for 2016 and I think that would be an opportunity for them to showcase their goods and services and give them the education piece on how we do business in partnering for not only us, the UG, but for BPU as well.

Commissioner Townsend said well let me ask another question. If a contract is going to be—if there's a solicitation, a request for proposal that's out, what methods or means are used currently to engage and make minority and woman owned businesses aware of those request for proposals or contracts that are being let. **Ms. Reed** said well currently out on our eProcurement site we do have where they can access what contracts are out there for 2014 and 2015, but we also have our database where it's set up to where we can do a search based on the commodity codes that they represent to where we can target those minority and business owned businesses specifically. Electronically we can pull them in and we email those notices to them. For some reason if they have not been active, we follow-up with them to find out is there a reason why you haven't participated in the bid process for a while. Sometimes it's just because the person is no longer there and that email address is no longer valid. So we're trying to communicate with them to find out how best we can meet their needs. **Commissioner Townsend** asked what about the woman or minority owned business that we have not done business with yet that's out there that may want to reply to an RFP. How would they be made aware of the contract that's out for let or the RFP. Let's say they are not one of these, what was the number, 308 minority businesses that are already I guess engaged. **Dennis ("Tib") Laughlin, Director for General Services**, said 638. **Commissioner Townsend** said it was 638, thank you. What if you were the 700th women or minority owned business. How would those entities be made aware of what's available. Do we actually through the newspapers or anything else try to make them aware? **Ms. Reed** said we advertise through *The Echo*, but sometimes we're in communication with some of the other city entities that maybe they've used the service for and we'll contact them and say hey, do you have a minority vendor that can provide this service and they give us that information; therefore we can contact them directly to let them know, hey this opportunity is coming available. Can you register in our database for them to have access to what's coming out? **Commissioner Townsend** said you said other cities, what geographic area are we talking about here beyond KCK. **Ms. Reed** said Olathe, Johnson County and Kansas City, MO. We have access and we network in that process.

Action: **For information only.**

Committee Agenda:

Item No. 1 – 16356... REPORT: QUARTERLY INVESTMENT AND BUDGET REVISIONS

Synopsis: Quarterly Investment and Budget Revisions Report, December 2015, submitted by Lew Levin, Chief Financial Officer.



Unified Government Finance Office

Lew Levin
Chief Financial Officer

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TO: Economic Development and Finance Standing Committee
FROM: Lew Levin, Chief Financial Officer
SUBJECT: Quarterly Investment and Budget Revision Report, December 2015
DATE: January 19, 2016

Attached you will find three schedules entitled "Investments By Type, Interest Revenue Earned, and Cash By Fund Type".

A fourth table lists budget revisions approved by Administration in excess of \$10,000.

The first schedule contains details of the Unified Government cash currently invested indicating investment type, date invested, maturity date, as well as interest rate.

The second schedule is a chart comparing the total interest earned, and the average invested for years 2012, 2013, 2014 and 2015 through December 31, 2015.

The third schedule indicates the total cash held by fund type.

The final table provides a brief description of the budget revisions referred to above.

These reports are presented for inclusion in the information packet to the Standing Committee members and no action is required.

cc: Cash Management Committee

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**INVESTMENT BY TYPE
UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY /
KANSAS CITY, KANSAS
December 31, 2015**

	Amount	Rate	Invest. Date	Mat. Date	Days to Mat.
UMB, NBA, Wyandotte - Oper.	\$104,063,000	0.250%	12/31/15	01/04/16	4
UMB, NBA, Wyandotte - Health	855,000	0.250%	12/31/15	01/04/16	4
TOTAL REPURCHASE AGREEMENTS	\$104,918,000	0.250% Average Rate of Interest			
Capital Federal	10,000,000	0.480%	05/13/14	05/23/16	144
Commerce	3,000,000	0.451%	05/23/14	05/23/16	144
Capital Federal	5,000,000	0.470%	05/22/13	07/24/16	206
Bank of Labor	95,000	0.450%	09/21/15	09/21/16	265
Liberty Bank	95,000	0.400%	09/21/15	09/21/16	
Capital Federal	5,000,000	0.640%	12/11/14	10/24/16	298
Liberty Bank	1,000,000	0.620%	12/14/12	12/13/16	348
Capital Federal	5,000,000	0.690%	05/22/13	04/28/17	484
Capital Federal	5,000,000	0.690%	05/22/13	05/22/17	508
Capital Federal	3,000,000	0.990%	12/11/14	10/23/17	662
Commerce	4,000,000	1.100%	05/09/14	11/01/17	671
Commerce	8,000,000	1.300%	05/09/14	05/04/18	855
Capital Federal	3,000,000	1.340%	12/11/14	10/25/18	1,029
Commerce	7,000,000	0.950%	01/08/15	08/11/17	589
Commerce	7,000,000	1.000%	02/05/15	03/09/18	799
Commerce	7,000,000	1.250%	01/08/15	08/13/18	956
Liberty Bank	1,000,000	1.300%	01/08/15	08/13/18	956
Capital Federal	4,000,000	1.240%	03/26/15	12/03/18	1,068
Capital Federal	4,000,000	1.510%	03/26/15	03/15/19	1,170
Commerce	8,000,000	1.285%	06/10/15	06/11/18	893
Commerce	8,000,000	1.585%	06/10/15	06/10/19	1,257
TOTAL CERTIFICATES OF DEPOSIT	\$98,190,000	1.006% Average Rate of Interest			
UMB/ FHLMC	\$854,326	0.500%	05/09/13	05/13/16	134
UMB/ FHCB	5,000,166	0.600%	12/14/12	12/12/16	347
UMB/FNMA	4,995,774	0.670%	06/06/13	03/06/17	431
UMB/FNMA	1,031,813	0.606%	09/25/14	09/15/16	259
UMB/FFCB	1,000,858	1.100%	09/25/14	09/22/17	631
UMB/ FHLB	5,086,631	1.564%	09/25/14	09/14/18	988
TOTAL U.S. TREASURY	\$17,969,568	0.916% Average Rate of Interest			
TEMP NOTE 2014IV	75,125	0.700%	2/27/2014	8/1/2016	214
TEMP NOTE 2014IV	82,125	1.100%	2/27/2014	8/1/2017	579
TOTAL TEMPORARY NOTES	\$157,250	0.909% Average Rate of Interest			

STATISTICS			
Total Investments	\$221,234,818	Avg. Days	563
Overall Average Rate of Interest	0.64%		
Average Investment -YTD	\$165,498,215		
Weighted Average Yield	0.86%		
91-day T-Bill Rate (Benchmark)	0.01%		
Average Weighted Maturity	353.69		
Interest Posted Through December 31, 2015	\$586,064 *		

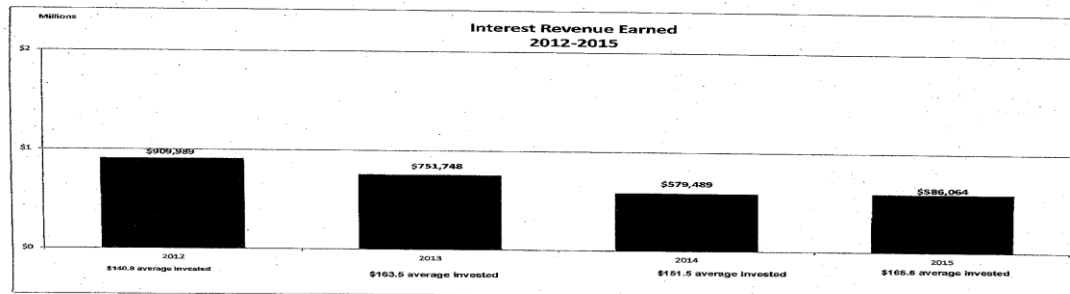
**ALL ABOVE INVESTMENTS ARE FULLY COLLATERALIZED IN COMPLIANCE WITH THE UNIFIED GOVERNMENT'S INVESTMENT POLICIES AND K.S.A. 9-1402

* INTEREST POSTED IS CALCULATED ON A GAAP BASIS.

Lew Levin, Chief Financial Officer, said as I've previously stated, this is simply our Quarterly Investment and Budget Revision Report and it's through the fourth quarter of 2015. No action is

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required by the Commission. I'll just review the summary table on investments by type. It should be in your packet. Some of the key numbers on the table at the end of the fourth quarter we had over \$221M in investments. Fourth quarter, the figure is generally higher because it reflects the first half property tax collections that are not yet distributed. They were distributed in January.



**CASH BY FUND TYPE
December 31, 2016**

GENERAL FUND TYPE
SPECIAL REVENUE FUND TYPE
DEBT SERVICE FUND TYPE
CAPITAL PROJECT FUND TYPE
ENTERPRISE FUND TYPE
INTERNAL SERVICE FUND TYPE
TRUST AND AGENCY FUND TYPE

TOTAL CASH

26,233,617
12,807,929
4,773,411
44,123,810
21,815,932
(4,368,996)
115,338,663
219,724,286

The difference between the Cash by Fund Type and the Investment by Type report is the investment of reconciling items, such as outstanding warrants.

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Our average investments year-to-date are at approximately \$165M. Our interest earnings for the year were \$586,000 or a little bit over that. That was slightly above last year. Really, we had been in a period of declining interest earnings, so that was positive. Our overall yield on our current portfolio was still a little bit under 1% at 0.86%. **Chairman McKiernan** said, Mr. Levin, the report says interest posted through September 30th, but that should be December 31st. **Mr. Levin** said yes and I noticed that correction today.

Commissioner Walker said it's really more of an issue I take with the way we do our business. I'm looking down the list of investments and candidly there's not one bank that is headquartered in Wyandotte County that has any of our investments. We have at least two and possibly three, I don't really know how to classify Security because it is also owned by a holding company, but Security Bank Corporation is headquartered here. Community First is headquartered here and Brotherhood Bank. I'm inclined to believe that a few hundredths of an interest point and call it a local—there's nothing you can do about it. Your report's fine. Your thoughts would be important because I know you're going to be leaving, but I also believe that helping our local businesses succeed and stay here is also important. Commerce Bank does no significant contribution to this community that I know of. Perhaps I'm wrong and somebody here can correct me. Most of these investors are Missouri owned banks or Missouri owned holding companies. They are not even Kansas banks. Even UMB Kansas is owned by a holding company, I believe, that is in Missouri.

I don't like doing business with first of all Missouri banks and second of all no banks whatsoever that are headquartered here and pay taxes here. You know I'm going to be on this issue throughout the rest of this year, your thoughts on that. **Mr. Levin** said we adhere to our investment policy that's reviewed annually by the governing policy. That policy currently states that we do offer the opportunity for our investment and vital funds to local banks and local banks as defined in the policy are if they have a physical presence in the county. You mentioned specifically Commerce Bank. I believe they have two locations within Wyandotte County. **Commissioner Walker** said yes, it's true but it is a Missouri owned bank. **Mr. Levin** said later in the year when we review our investment policy, if we want to have something, I guess we would have to define what constitutes a local bank other than a physical preference and if we wanted to say if the bid is within a certain number of basis points, we would go with that bid

first. I think that may be one option. What we do have in the policy, and it's something we can expand upon, is that once a year we offer all banks in the county the opportunity to invest up to \$95,000 on idle funds and you see two of the investments there. Bank of Labor which is Brotherhood Bank and Liberty Bank chose to participate in that and so that's an automatic amount. We could increase that amount to \$250,000 which would be insured by FDIC and I mean that might be a way to go to at least expand that. **Commissioner Walker** said that's just my thinking on it that local banks should have some locally, I say locally owned, I mean I don't know who the actual owners of any banks are. **Commissioner Murguia** said I know some. **Commissioner Walker** said the headquartered ones in Wyandotte County and then secondarily in Kansas, it sounds provincial but we should be taking care of our own, if they want to be taken care of. Now maybe these amounts of money—I realize a bank has to have a certain amount of reserves when they take money. They may not want to bet on it, but they should have the opportunity to say no first. **Mr. Levin** said they all have the opportunity to bid on idle funds through our collateral requirements. Those collateral requirements are in our investment policy as well as established by state statute. That's another consideration. I would probably say Security Bank would be—I believe you might consider them as a local bank. They have chosen not to bid on our investments. We do a lot of business with them related to our trustee relationships with them and we view them as an important partner in the community. **Commissioner Walker** said thank you. It really didn't have much to do with—**Mr. Levin** said yes, the only other thing I was going to add on our investment policy, I think the expectation in December of 2015, the Federal Reserve raised the short-term interest rate to a quarter of a percent and what we'll see from that is more opportunities in short-term investment of funds. The expectation is we should be able to at least increase our interest earnings in 2016.

Commissioner Murguia said so it sounds like you're following the policy, Lew, and I hear that and that's great; but what I hear Commissioner Walker saying is he just wants to ensure that local banks here are aware of the opportunity and it's sort of being our job to make them aware; especially these local banks that go out of their way to reinvest in our community right here in Wyandotte County. I think that's very important also. If you think they know and they just lack the capacity or interest to take on these kinds of financing then fine, that's their choice, but if you think there's something that we can do, maybe a change in our policy that would entice them to

get more involved, that would be great also. I think that's all I heard you really saying. **Commissioner Walker** said yes, really. **Mr. Levin** said I'll make note and I'll share that. **Commissioner Murguia** said as you're leaving us.

Mr. Levin said the other item in the report is the budget revisions over \$10,000 in the fourth quarter. There were a significant number of them and I'll turn that over to Mr. Lindsey.

BUDGET REVISIONS \$10,000 OR GREATER - FOURTH QUARTER 2015(For information only)

ENTRY	FUND	DEPARTMENT	CMIP/OPERATING	DESCRIPTION	AMOUNT	DATE APPROVED
1	County General Fund	Community Programs	Operating	Setup Land Bank Strategic Demolition Program	\$11,103	October 12, 2015
2	County General Fund	Finance	Capital	Cricket Wireless Amphitheater Renovations	\$80,000	October 6, 2015
3	Emergency Medical Services	Fire	Operating	October Medical Supplies	\$43,500	October 12, 2015
4	County General Fund	Sheriff Department	Operating/Capital	Cover cost for vehicle repairs and CAD system expenses	\$26,536	October 23, 2015
5	County General Fund	Sheriff Department	Operating/Capital	Past Control/Security System Upgrades	\$98,100	November 6, 2015
6	City General/Emergency Medical Services	Fire	Capital	Repairs for Fire Station #4	\$100,000	November 16, 2015
7	County General	Public Works/Buildings & Logistics	Capital	Court House Fire Alarm Panel Upgrade	\$60,000	November 16, 2015
8	City General	Public Works	Capital	Replace Damaged Street Sweeper	\$40,000	November 16, 2015
9	City General	Legal	Operating	Labor Negotiation Fees	\$15,000	November 17, 2015
10	Emergency Medical Services	Fire	Operating	November Medical Supplies	\$30,697	November 17, 2015
11	County General	Coroner	Operating	Autopsies	\$13,500	December 8, 2015
12	Sewer System Enterprise	Public Works	Operating	Oxygen-Sludge Process	\$123,000	December 8, 2015
13	City General	Finance	Operating	Theater Closing Fees	\$148,685	December 14, 2015
14	County General	WYCO Radio	Operating	Replace Headsets	\$21,700	December 11, 2015
15	Emergency Medical Services	Fire	Operating	Shift to pay year end expenses November & December Postage Expense	\$32,741	December 21, 2015
16	City/County General	Clerk's Office	Operating		\$43,447	December 22, 2015
17	County General	District Courts	Operating	Purchase Document Scanners	\$32,000	December 16, 2015
18	Sewer System Enterprise	Public Works	Operating	Maintenance & Construction Materials	\$78,242	December 18, 2015
19	Sewer System Enterprise	Public Works	Operating	Municipal Waste Charges	\$200,000	December 18, 2015
20	City General/Emergency Medical Services/Dedicated Sales Tax	Fire	Capital	CAD System Equipment	\$200,717	January 13, 2016
21	Dedicated Sales Tax	Fire	Operating	Shift funds to pay year end expenses	\$48,967	January 13, 2016
GRAND TOTAL					\$1,447,935	

Reginald Lindsey, Budget Manager, said during the fourth quarter of 2015 we had 21 transactions of budget revisions. We had six come from contingencies; the rest came from within the departments themselves. Two of them came in front of the Commission. Are there any questions about any of them? **Chairman McKiernan** said it looks like no.

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Action: **For information only.**

Item No. 2 – 16354...ORDINANCE: 39TH AND RAINBOW REFUNDING BONDS

Synopsis: An ordinance authorizing the issuance of special obligation tax increment revenue refunding bonds (39Rainbow South TIF Project), Series 2016 in the maximum principal amount of \$4.3M to refund a 2013 bond issue, submitted by Lew Levin, Chief Financial Officer.

Lew Levin, Chief Financial Officer, said I'll introduce who just joined me. This is Phil Richter, he is Senior Vice President and Manager of Public Finance with United Missouri Bank (UMB) he might have—he's participating in this endeavor and he might have additional comments related to our previous discussion. Before I turn it over to Phil for some comments I just want to give you some background on what we're bringing before you this evening.

You certainly are well aware of the project that we're referencing is 39Rainbow South. That was the first phase of development of 39th & Rainbow. The major part of that project is a combination of the Holiday Inn hotel development plus about four to six retail establishments. The project's been very successful. The government participated in the backing of an initial temporary note on that project. The developer took out that temporary note two years ago and our expectation was that when we had the ability to refinance that project and with the opportunity to go to a lower interest rate. The current interest rate with that is 5%.

We've worked with Phil and UMB and they've brought forth a proposal that would allow for refunding to go forward. The specific parameters and they're listed on the document that you have in front of you is that the principle is not to exceed \$4.3M. There are two series to the financing. There's a fixed rate component and a variable rate component. The fixed rate interest rate not to exceed 4.25% and the variable rate not to exceed 3.75%. We've worked with Phil to structure the variable rate to minimize the risk of a variable rate. The variable rate would not occur, Phil, is that five years into—**Phil Richter, Senior Vice President & Manager of Public Finance with United Missouri Bank,** said seven. **Mr. Levin** said seven years. It's just a ten

year financing with the variable rate not occur until year seven and we put a limitation on the increase at that time. UMB is doing a private placement on the deal with the placement fee that cannot exceed 1.5%. I think just as an overall summary, what the refinancing does, it allows for a considerable reduction in the interest rate. Currently, these bonds are—the schedule is for final payoff in 2031 based on the current revenue flow and the reduction and interest rate, we believe we can—where they're currently tracking they will be paid off three years early and what that means once they are paid off we end the TIF and the revenues fully flow back to the government. With that I'm going to turn it over to Phil for additional comments.

Mr. Richter said essentially the interest rate was about 5% as Lew mentioned and currently the market that we anticipated having this completed at would be at a rate of about 3.6% so we saved almost 1.5% in terms of interest. Of course that interest then goes to pay off the debt that much faster which means it's that much quicker that the county and the city are able to realize the tax revenues and so that's of course the goal here. Essentially the financing we would be issuing a new bond that would be backed by the TIF revenues at the lower interest rate and as result we would be able to pay off the higher interest rate, the 5% bond and as we say get that paid off that much faster. That's essentially the transaction. It would not be a public sale so it would be a private placement which I think lowers the cost of doing the financing as well as keeps the transaction in institutional hands as opposed to being able to be sold publically. **Mr. Levin** said I guess one of the key points on that is that there is no government backing. The backing on these bonds are strictly the project revenues.

Action: **Commissioner Walker made a motion, seconded by Commissioner Townsend, to approve subject to all the perimeters that were listed and approve the ordinance as submitted.** Roll call was taken and there were four "Ayes," Murguia, Townsend, Walker, McKiernan.

Item No. 3 – 16355...RESOLUTION: SALE OF GO REFUNDING BONDS SERIES 2016-B AND TAXABLE GO REFUNDING BONDS SERIES 2016-C

Synopsis: A resolution authorizing the offering for sale of General Obligation Refunding Bonds Series 2016-B and Taxable General Obligation Refunding Bonds Series 2016-C, submitted by

Debbie Jonscher, Deputy Finance Director. This action will result in future debt savings of approximately \$2.7M. It is requested that this item be fast tracked to the February 4, 2016 full commission meeting.

Chairman McKiernan said just for staff, this item doesn't appear to have a request for action facing page once you get into the body of the agenda itself. **Commissioner Walker** said request to approve resolution. **Chairman McKiernan** said for those of us who get the electronic version and download it off SuiteOne, we don't have a RFA facing page, which evidently did get printed for the paper edition. As long as we can make sure there are electronic facing pages, that would be great. This is a resolution to authorize the sale of GO Refunding Bonds.

Debbie Jonscher, Deputy Finance Director, said we do have the RFA page. I think we can get that to you. This is a resolution authorizing the sale of General Obligation Refunding Bonds Series 2016-B and Taxable Series 2016-C. This is a refunding of our 2008 Series. In 2008, we had four series issued, two tax-exempt and two taxable. We are looking to do a refinancing and combine those into two issues, one taxable and one tax exempt. We believe that due to the current interest rate environment we do have an opportunity to achieve some savings on the interest cost with a more favorable interest rate.

Also included in your packet was a feasibility analysis, it was done by Springsted our financial advisor. With that analysis, we believe that the refunding would result in an approximate savings of \$2.7M over the remaining term of the bond. I would just like to say the remaining term is the same as the original term on the 2008 bond. We're not extending the term. It's the same term. I'm just going to refer to the table that is in that feasibility analysis. They did do a summary of all of all four issues. It is listed as an advanced crossover refunding. I just wanted to point out what—an advanced refunding is when you refund an issue more than 90 days before the call date. If it's within 90 days then it's called a current refunding, so that's why it's listed as an advance.

The table also does give the future net savings over the life of the bond per issue. It also gives us a present value savings percentage. The reason I wanted to note that, in our debt policy that was approved by the Commission several years ago, we did state a target of wanting to attain at least 3% present value savings when we look at refundings. For each of these issues the

percentage is anywhere between 5.7% and 12%, with an average over all four issues at 9%. Due to the fact that this is above our target, we do view this as a favorable transaction.

My last point, we are asking that this item be fast tracked to this Thursday's commission meeting. The reason for that is that the sale is set to occur on February 25th, that would be the morning prior to our next Commission meeting, so in order to get this approved, we needed to get this before the Commission this Thursday. With that I'll stand for any questions.

Action: Commissioner Walker made a motion, seconded by Commissioner Townsend, to approve and fast track to the February 4, 2016 Commission Meeting. Roll call was taken and there were four "Ayes," Murguia, Townsend, Walker, McKiernan.

Item No. 4 – 16360...RESOLUTION: PAYMENT TO BONNER SPRINGS, KS

Synopsis: A resolution authorizing payment to Bonner Springs, KS, for sales tax associated with the relocation of Bonner Springs Ford from Bonner Springs to the Vacation Village STAR Bond District, Project Area 2 (auto mall), submitted by George Brajkovic, Economic Development Director. Based on sales figures, for FY2016 (if needed) and an additional 5-year term, Bonner Springs will receive an annual payment of \$81,250.

George Brajkovic, Economic Development Director, said I'd like to recognize Marsha Harrington, Director of Economic Development for Bonner Springs. I'm sure you all recall that we did amended project plans for the Vacation Village Star District which included the development of an auto mall. Part of the interest in the auto mall came from two dealerships that were already in Wyandotte County, the Dodge dealership on State Avenue and the Ford dealership in Bonner Springs. There was a real threat that both of those dealerships would leave the county because there weren't a lot of viable options for them to expand until the auto mall development came.

As part of the compromise though with agreeing to move those into the auto mall was to establish base sales values and use those base sales values to have those revenues still flow to the local community. As we were establishing all of that, there was a commitment made from a staff level to Bonner Springs to ensure that if the dealership got relocated from Bonner Springs, there

would be a continued revenue flow from the sales that were currently generated at that site for some period of time. The document you have before you tonight, the resolution is an attempt to memorialize that agreement. It's a defined amount and it's for a five-year term. The five-year term is a staff recommendation. We feel that's an adequate amount of time for Bonner Springs to redevelop that particular site. It's still a shadow type development from the Walmart that exists in their community. What we're asking for you to consider tonight—all of this has been vetted with Bonner Springs' staff. I don't speak for Marsha, but I think they've given us reason to believe they're okay with the deal as it's presented. We're asking you to consider that. Again, it is a fixed amount, a five-year term, however; it also includes this year because we think that at some point in this year, probably in the fall, that dealership will actually relocate and so the agreement contemplates that if the amount of sales that have been directed to Bonner Springs from the sales that are still occurring at that site, if they're not sufficient to meet that number, we'll allow enough revenue to flow back to make them whole on that number. It's really a five-year term plus current year.

Action: **Commissioner Townsend made a motion, seconded by Commissioner Murguia, to approve.** Roll call was taken and there were four “Ayes,” Murguia, Townsend, Walker, McKiernan.

Item No. 5 – 16363...RESOLUTION: HEALTH CARE FOUNDATION GRANT

Synopsis: A resolution authorizing the Unified Government to enter into a contract with the Health Care Foundation of Greater Kansas City to accept a \$150,000 grant in support of the Healthy Campus Project, submitted by Jason Banks, Assistant to the Mayor/Manager. No Unified Government match is required.

Misty Brown, Senior Attorney, said the Unified Government received a \$150,000 grant from the Health Care Foundation of Greater Kansas City. You have before you a resolution that would authorize the Unified Government to enter into this grant award agreement which is required by the foundation. It sets out the obligations of the Unified Government. I believe the funds are going to be used for project management services for the Healthy Campus. **Chairman McKiernan** said so there is no local match required. **Ms. Brown** said no, Commissioner.

Chairman McKiernan said we simply need to authorize the UG to accept the money and then direct it for that purpose. **Ms. Brown** said that's correct. **Commissioner Walker** asked what is the purpose. **Commissioner Murguia** said I was going to say what Healthy Campus. **Chairman McKiernan** said I believe it's the project manager who actually came and spoke with us last week. **Commissioner Walker** asked is this to pay Mr. Crandle. **Ms. Brown** said yes, Commissioner. **Commissioner Murguia** said the Healthcare Foundation is paying grant money to pay a developer to work on the development of the Healthy Campus. **Ms. Brown** said that's my understanding. My understanding is that they had approached the Unified Government with some funds and these funds became available. This was an idea to help—**Commissioner Murguia** asked is this a State Healthcare Foundation. Sorry Hal, I'm sorry. Do you have questions too? **Commissioner Walker** said no, go right ahead. **Commissioner Murguia** asked is this a State Healthcare Foundation or is this the Greater Kansas City Healthcare Foundation. **Ms. Brown** said it's the Greater Kansas City. **Commissioner Murguia** said they are going to pay for a developer to develop a Healthy Campus. **Ms. Brown** said yes, but they had brought funds to the Unified Government. This proposal was given to them to utilize these funds to get the developer to start working on it to see if could become viable and did authorize a grant for that. **Commissioner Murguia** said wow. Okay.

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

Commissioner Townsend said I did have questions on some of the supporting documents. That's all I was asking for clarification. There's an Attachment B as I look back through this. I too was under the impression as I read this that some of these funds in whole or part would go toward the remuneration of the gentleman, the company that made the presentation Thursday to us, the update on that. On the Attachment B I'm just curious where they do the predevelopment services, Item B under 1 it talks about compensation for phase of services. There's a monthly retainer of \$9,475 per month, July 1, 2015 to June 30, 2016 and then July 1, 2016 that amount would increase to \$16,000 and some change. Do you have any idea why the cost of the retainer in 2016 increased? **Ms. Brown** said I believe I do. My understanding is that it's hoped that the work in the beginning was phased. It would start out more as the development part and then it

would increase and that more work would be coming in as different items came onboard and would require more of CBC's time at that point.

Commissioner Walker asked does this contact have a fail-safe prevention if this Healthy Campus doesn't go forward later this year. Are we still obligated, are these funds obligated. Do we have a repayment obligation for the Healthcare Foundation? **Ms. Brown** said no, there is no repayment obligation. I'm assuming if we terminate it and didn't use the funds, had them still left over that we need to return them, but there's no repayment if the campus doesn't proceed.

Commissioner Murguia asked do you happen to have the detail of what this exactly is supposed to pay for. I write grants to the Healthcare Foundation. Their grants are very detailed. What is this money supposed to pay for specifically, to rally community residents around this healthcare Healthy Campus initiative? I mean what exactly is it. **Lindsay Behgam, Executive Coordinator to the Mayor**, Commissioner, do you want me to speak to that? I'm not Jason Banks but sometimes people get us confused. I submitted this proposal to the Healthcare Foundation of Greater Kansas City in November of 2014, specifically to fund a project manager for the Healthy Campus. We had already drafted a potential job description that we would send to RFP if we were able to find funding for that project management position. We had that job description drafted. We submitted that as a proposal to the Healthcare Foundation of Greater Kansas City in November of 2014. **Commissioner Murguia** said so you're just getting the money now. **Ms. Behgam** said we are, we were notified of the award in January of 2015. My understanding was that the pool of funding is within their special initiatives pool so it's a little bit outside of their normal grant process, but it went to their board between November and late January. They came back and notified us that we were awarded the grant, but it did take a while to get through some of the paperwork between then and now. **Commissioner Murguia** asked under what category did you receive this funding. **Ms. Behgam** said Special Initiative Funding was what they called it. **Commissioner Murguia** said that's why it had to go to the board. **Ms. Behgam** said it did go to the board, yes. **Commissioner Murguia** asked is there a particular grant person over there that you worked with. **Ms. Behgam** said we are working with Andres Dominguez. He's our program officer.

Roll call was taken and there were four “Ayes,” Murguia, Townsend, Walker, McKiernan.

Commissioner Walker said I would like for the record, Ms. Behgam, I’m going to want a bit more information at the regular commission meeting. I’m sure I’m not the only one as to how these numbers were reached to pay \$9,000 and \$16,000. I’m real unclear about this. It’s great. I’m glad we don’t have a match. I’m certainly glad to hear that we don’t have any obligation in the event we do not move forward on the Healthy Campus but I would like to see this grant in writing. **Ms. Behgam** said sure and—**Commissioner Walker** said any contract that they have. I don’t think it was in this thing. It was just the RFA. This will come up on when. Is this fast tracked? This won’t come up until the 26th so it’s plenty of time to get the documentation out. **Ms. Behgam** said sure and I’ll say too that when we were notified of the grant award when we wrote the proposal, this was before the Commission changed their policy to have grant funding over I think it’s \$58,000 come before the Commission. The process changed between the time when we submitted the original proposal and today which is why you didn’t see it on the frontend. **Commissioner Walker** said that was a question I had. I’m glad you answered that too. So you applied for this in 2014 and you just got notified in the beginning of this year. **Ms. Behgam** said we applied November 2014. We were notified in January of 2015. It was just a couple of months. **Commissioner Walker** said it’s been a full year since you were notified that you got the grant. **Ms. Behgam** said a little over a year, about a year. **Commissioner Walker** said it’s taken a year to get it to us. **Ms. Behgam** said yes. **Commissioner Murguia** asked why so long. **Ms. Behgam** said I’m not sure. I think Andres would be happy to come to the full commission meeting if we’d like to have him there. Because it was outside of their normal grant process, I think my understanding was that they weren’t on a timeline and so they weren’t rushing it on their end. We sent in all the paperwork they needed from us and we didn’t touch base for a while and then came back together in the summer to work on the legal agreement. I know Andres was out a little bit in the fall and came back. I just think it was—because it was outside of their normal grant process they weren’t on the same deadline. **Commissioner Murguia** asked could you invite Andres to the meeting to answer questions. That’d be great. **Ms. Behgam** said sure, I’d be happy to.

Adjourn

Chairman McKiernan adjourned the meeting at 7:03 p.m.

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