



Agenda

**COMMITTEE OF THE WHOLE
GOVERNING BODY
CITY OF LENEXA, KANSAS
17101 W. 87TH STREET PARKWAY**

**MAY 25, 2021
7:00 PM
COMMUNITY FORUM**

ROLL CALL

APPROVE MINUTES

May 11, 2021 Committee of the Whole Meeting draft minutes

DISCUSSION

1. Fiscal year 2020 external audit presentation
2. Review quarterly financial report as of 3/31/2021
3. Parks and Recreation Department - department update
4. Black Hoof Park North property discussion

ADJOURN

Dist. Governing Body; Management Team; Agenda & Minutes Distribution List

IF YOU NEED ANY ACCOMMODATIONS FOR THE MEETING, PLEASE CONTACT THE CITY ADA COORDINATOR, 913/477-7550. KANSAS RELAY SERVICE 800/766-3777. PLEASE GIVE 48 HOURS NOTICE



**MINUTES OF THE
MAY 11, 2021
LENEXA COMMITTEE OF THE WHOLE MEETING
COMMUNITY FORUM, 17101 W 87th STREET PARKWAY
LENEXA, KS 66219**

CALL TO ORDER

Council President Stuke called the meeting to order at 7 PM.

ROLL CALL

Councilmembers Karlin, Eiterich, Nicks, Nolte, Roh, Hunt, and Sayers were present with Council President Stuke presiding. Mayor Boehm was absent.

Beccy Yocham, City Manager; Todd Pelham, Deputy City Manager; Mike Nolan, Assistant City Manager; Sean McLaughlin, City Attorney; Jennifer Martin, City Clerk; and other City staff were present.

APPROVE MINUTES

April 27, 2021 Committee of the Whole Meeting draft minutes

Councilmember Roh made a motion to approve the April 27, 2021 Committee of the Whole Meeting draft minutes and Councilmember Eiterich seconded the motion. Motion passed unanimously.

DISCUSSION

1. Fire Department - department update

Fire Chief Travis Vaughn presented the update on the Fire Department's activities, initiatives, accomplishments, and objectives. He began with an overview of the department organizational chart and introduction of each division.

Chief Vaughn said that Deputy Chief Scott Hoch, who has been with Lenexa for over 37 years, oversees the Operations Division with five Battalion Chiefs: Randy Mains, Josh Rauh, Dustin Moore, Bob Welch, and Randy Pommenville; Division Chief Stan Myrtle, oversees the Administration Division; Division Chief Butch Diekemper oversees the Prevention Division with three Captains: Brett Hockett, David Little, and James Nickell; and Division Chief Don Tinsley oversees the Professional Development Division with Battalion Chief Tom Miller, two Captains: Matt Logue and Matt Skinner, and Customer Service Representative Mary Sargent.

Chief Vaughn reviewed the Fire Department and City mission statements and values.

He said that he believes the fire department should first provide excellent service to the community members and then foster a positive and healthy culture for the Fire Department members.

Chief Vaughn presented some department accomplishments and initiatives:

- Accredited since 2002
- ISO level 1 rating - one of only 104 departments with this Insurance Services Office rating, out of over 30,000 departments nationally
- Improved response coverage
- Enhanced operational awareness – creation of the digital dashboard
- Firefighter health and wellness initiatives – K9s in firehouses, requiring an annual check-in with an EAP provider
- Adapted community outreach during pandemic – created videos of safety messages for school children
- Comprehensive revision of all job descriptions
- Partner with Shawnee Mission School District Blue Eagle program
- Formalized the volunteer program
- Actively support public health vaccination efforts
- Apply for grant funding for a mobile decontamination unit

Chief Vaughn then presented the department's 2021 objectives:

- Expand to six fire stations
- Implement enhancements to public education and video messaging
- Resume pre-pandemic recruitment and citizen engagement
- Establish a department honor guard program
- Revision of all department policies and procedures
- Submit City's All-hazard plan for Council approval
- Development of Emergency Management response plans
- Review the Emergency Operations Center activation process

Chief Vaughn showed the city coverage and response time maps, comparing the use of the facility in the Public Safety Building and without. He showed all the information and statistics available via the digital dashboard, which was a project Division Chief

Tinsley spearheaded. He also discussed how the department uses the Drone Program, which started in 2014; it was the first in Kansas and one of the first in the nation.

Chief Vaughn said that other technologies the department uses are thermal imaging cameras, Opticom Emergency pre-emption devices, mobile and portable radios, GPS enabled MDTs, the PulsePoint Mobile app, and the Active911 Mobile app. He said that future technologies would include Motorola Critical Connect, firefighter location systems, firefighter physiological monitoring, and Next Generation 911.

Discussion followed regarding the use of the drones and their capabilities, Station 6 operations, establishing an honor guard, accreditation, thermal imaging, K9 program, Citizen Fire Academy, and station tours. Councilmembers thanked Chief Vaughn and the members of the department for their staff professionalism and for continually striving to raise the bar.

2. Communications Department - department update

Denise Rendina, Communications Department Director, presented an introduction to her team of four full-time and one part-time employees. She said that Julie Wittman, Allysha Walmann, and Andrea Ocampo are all communications specialists being both writers and designers, which is unique and a benefit to the City. She said that Tasha Hammes is the photo assets manager and works with the volunteer photographers. She added that she works with the media daily, as well as with Human Resources in their communications with employees.

Ms. Rendina reviewed the department's mission statement and said they focus on providing relevant, accurate, and timely information. She added that although the department has many methods for distributing information, the community reports getting most of its information from the Town Talk publication.

Ms. Walmann then presented the various methods for strategic communications, their benefits, and how staff uses each one to distribute different kinds of information.

- Town Talk: magazine publication created entirely in-house, except the printing is done by a local company
- Lenexa.com - over 400,000 users in 2020
- E-newsletters – 169 were published in 2020 with almost 13% growth in the number of subscribers
- Social Media – Facebook, Twitter, Instagram, Nextdoor, and YouTube
- Advertising – Shawnee Mission Post, KC Parent, KC Magazine, Her Life magazine, Johnson County publications, Google, Facebook, and digital ads
- Volunteer Photographer program

Discussion about the success of Town Talk followed and it was suggested that a “find the item [Mayor’s bobblehead],” activity could be added to engage the readers. Other topics of discussion were how to forward newsletter information to others, how the work positively influences the morale of the community and City employees, future overhauls to technology and the website, the “I Like Lenexa” application, digital strategies, and funding considerations.

Members of the Governing Body thanked the presenters and said that the presentations showed that they care about the city and their jobs.

ADJOURN

Councilmember Nolte made a motion to adjourn the meeting and Councilmember Hunt seconded the motion. Motion passed unanimously.

The meeting adjourned at 8:45 PM.



**COMMITTEE OF THE WHOLE
MEMORANDUM**

ITEM 1

SUBJECT: Fiscal year 2020 external audit presentation

CONTACT: Doug Robinson, Chief Financial Officer

DATE: May 25, 2021

PROJECT BACKGROUND/DESCRIPTION:

RubinBrown LLP conducted the annual financial audit of the City's financial statements for fiscal year 2020. The RubinBrown presentation will focus on the ViewPoints document included in the meeting packet. For the fiscal year ended December 31, 2020, RubinBrown LLP issued an unmodified opinion on the City's financial statements and also completed a required Single Audit of the City's federal grant expenditures. RubinBrown did not identify any issues with either the City's financial statements or the City's federal grant expenditures.

For fiscal year 2020, the City's General Fund revenues exceeded expenditures and net transfers out by approximately \$9 million - the twelfth consecutive year of running a surplus in the General Fund. This is a primary factor in maintaining the City's AAA credit rating. The ending fund balance was \$48 million, or 57% of projected fiscal year 2021 General Fund revenues (City policy targets a fund balance of 30% to 35% of General Fund revenues).

Staff has posted the City's [Comprehensive Annual Financial Report](#) for fiscal year 2020 on the City's website.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Guiding Principles

Prudent Financial Management

ATTACHMENTS

1. Presentation

City Of Lenexa, Kansas



Auditor Communications And Other Considerations Resulting From Financial Audit



for the year ended
December 31, 2020

Letter To Council

City Of Lenexa, Kansas

Honorable Mayor, Members of City Council
and Members of Management
City of Lenexa, Kansas

We are pleased to have the opportunity to meet with you to discuss the results of our audit engagement of the City of Lenexa, Kansas (the City) for the year ended December 31, 2020. The accompanying report, which summarizes the results of our audit engagement, presents information regarding the scope of our audit and other matters.

We thank you for the opportunity to be of service to the City. We have received excellent cooperation and assistance from management and staff with respect to access to records, supporting documentation and responses to inquiries. No limitations were imposed on our audit procedures or the extent of our audit.

RubinBrown LLP

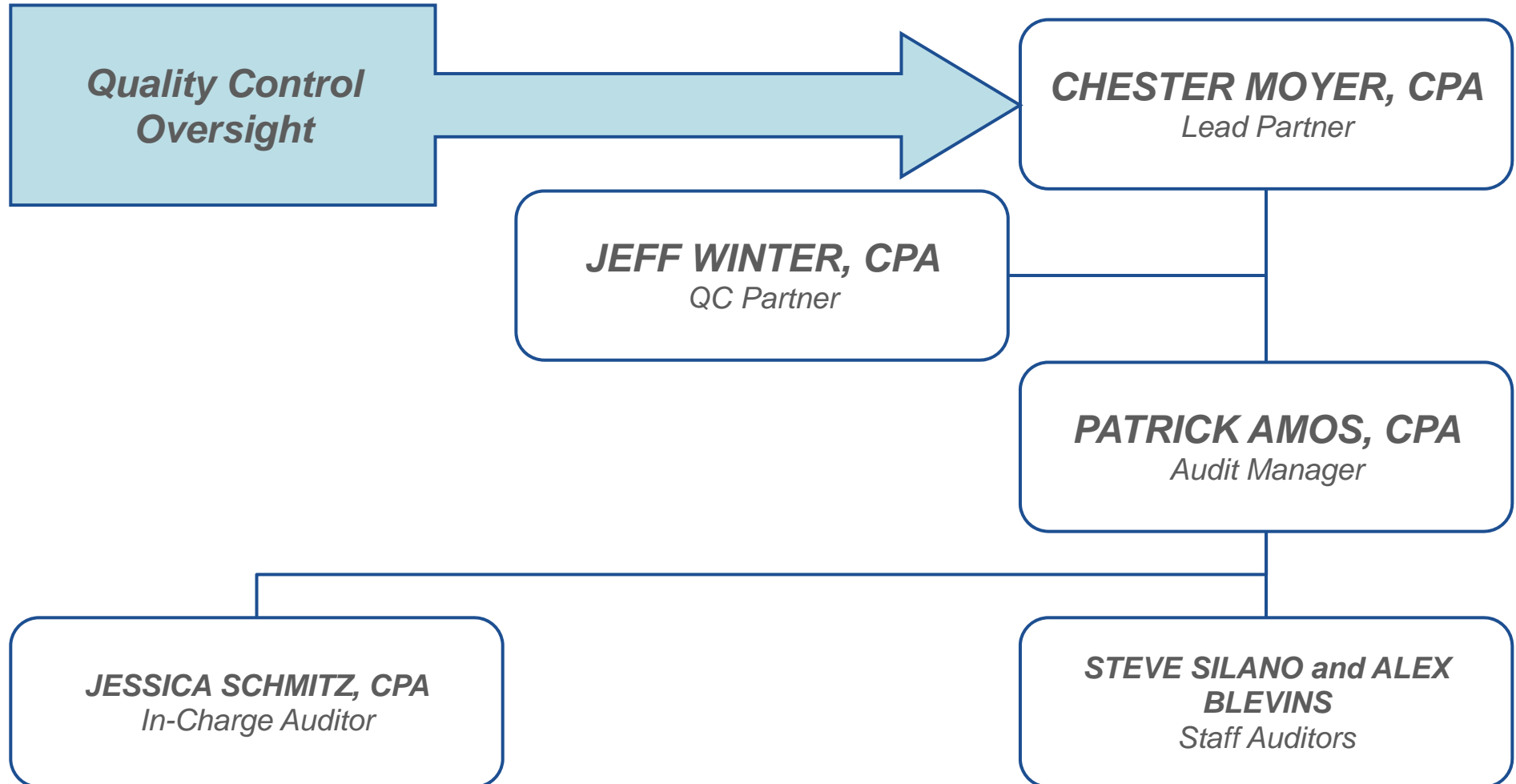
May 17, 2021

Table Of Contents

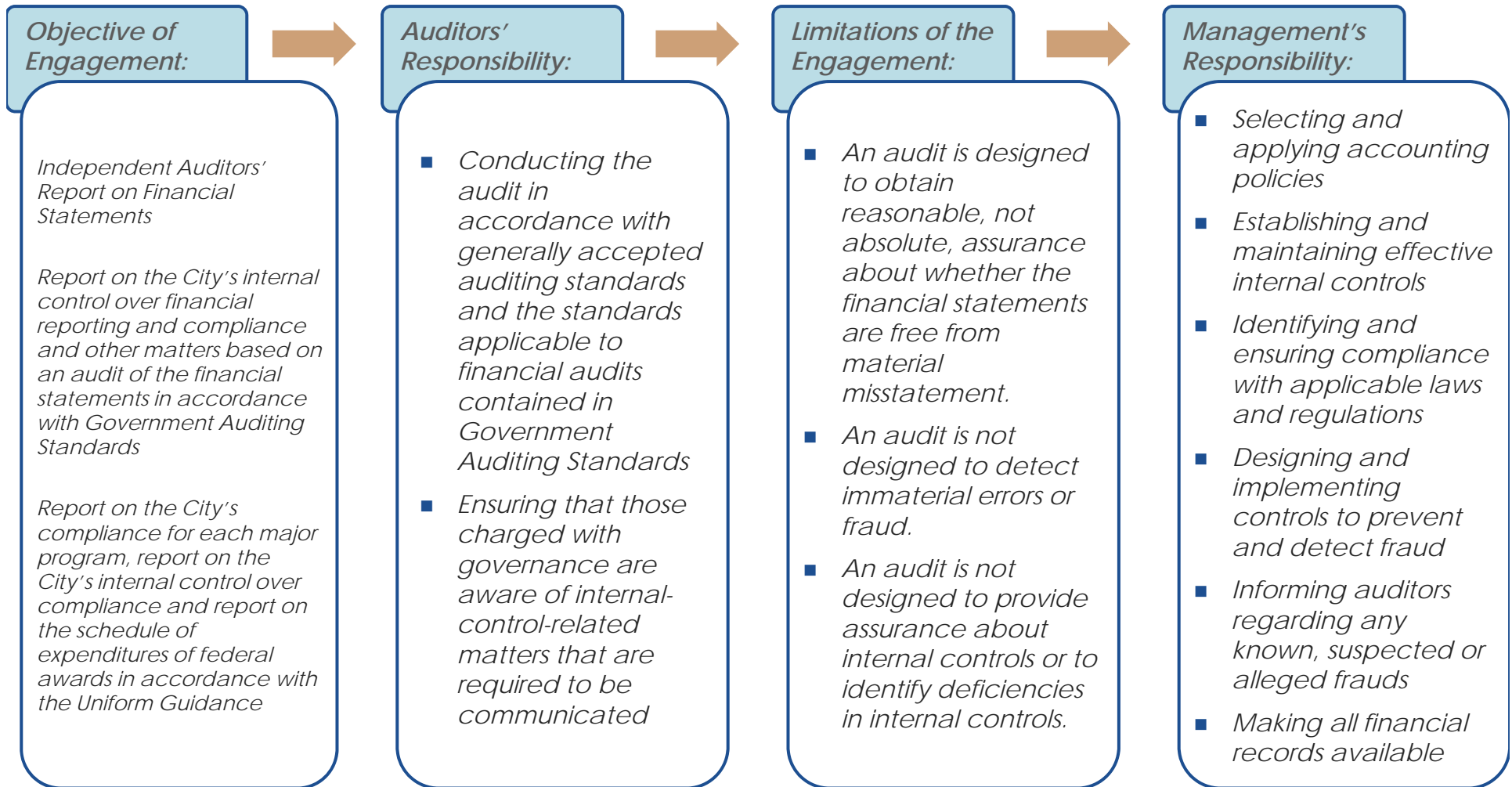
	Page
Engagement Team	1
Objective And Scope Of Services	2
Audit Process	3
Auditor Communications	4 - 8
New Accounting Pronouncements	9
Assessing Near-Term Financial Position	10
General Fund Summary	11
Government-Wide Statement Of Net Position	12
Single Audit Summary	13 - 14
Attachment	
Management Representation Letter	

Engagement Team

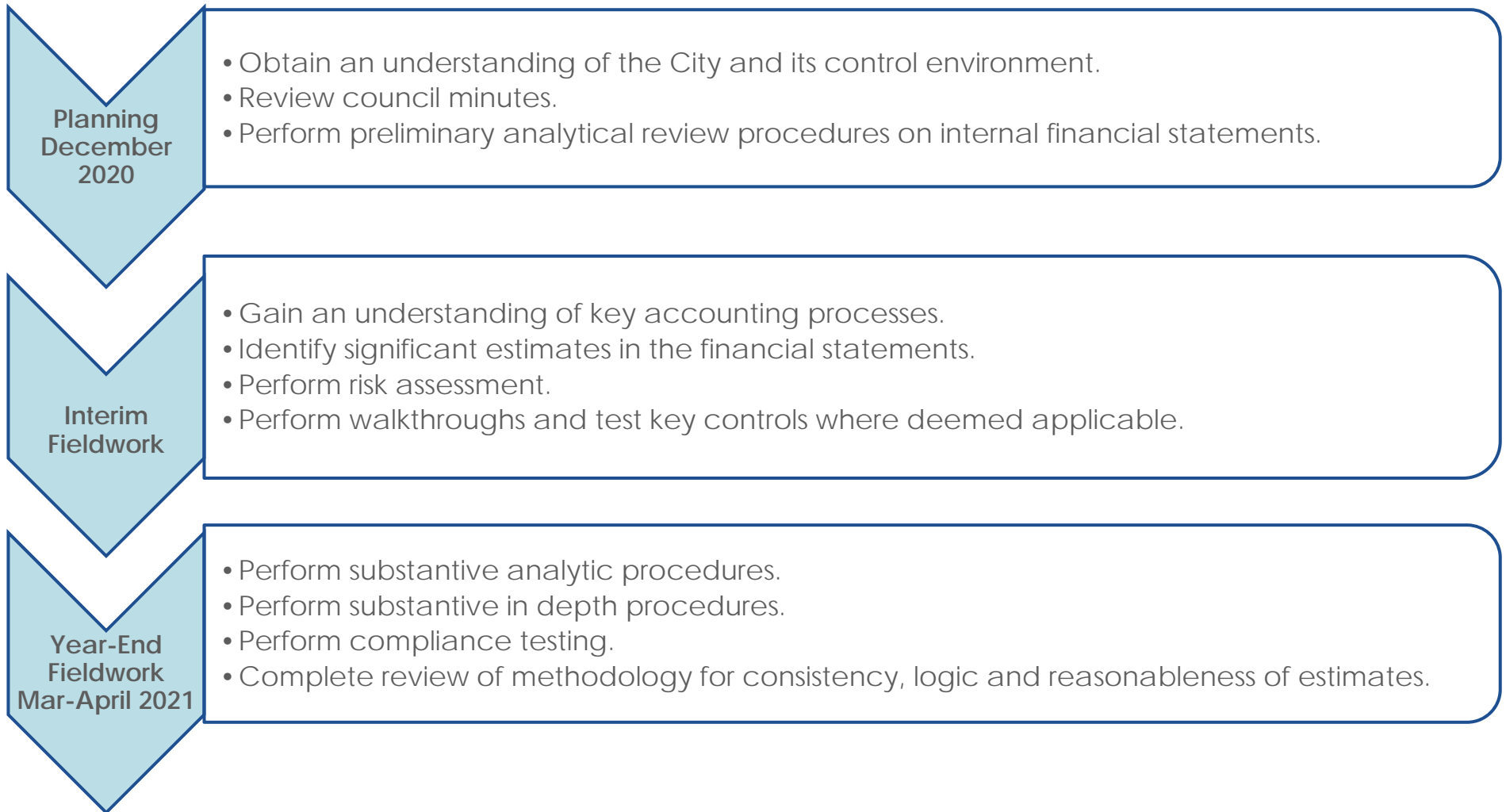
City Of Lenexa, Kansas



Objective And Scope Of Services



Audit Process



Auditor Communications

City Of Lenexa, Kansas

Honorable Mayor, Members of City Council
and Members of Management
City of Lenexa, Kansas

We have audited the basic financial statements of the City of Lenexa, Kansas (the City) for the year ended December 31, 2020. Our audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Office of Management and Budget (OMB) Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and presented in accordance with accounting principles generally accepted in the United States of America and that the City complied, in all material respects, with the applicable compliance requirements of its major federal programs. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We also assessed the accounting principles used by the City, and the significant estimates made by the City's management, as well as evaluated the overall financial statement presentation.

Auditing Standards require the auditor to ensure that those charged with corporate governance receive additional information regarding the scope and results of the audit that may assist the governing body in overseeing the financial reporting and disclosure process, for which management is responsible. The following information on pages 5 through 9 describes matters which are required to be reported to you.

This information is intended solely for the use of the Honorable Mayor, City Council Members and management of the City, and is not intended to be, and should not be used by anyone other than these specified parties.

RubinBrown LLP

May 17, 2021

*For the Honorable Mayor, City Council, And
Management Use Only*

Auditor Communications *(Continued)*

AREA	COMMENTS
<p>Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards And <i>Government Auditing Standards</i> And Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (the Uniform Guidance)</p> <p>Our responsibility, as described by professional standards, is to express opinions about whether the financial statements, prepared by management with our assistance, are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and that the City of Lenexa, Kansas (the City) complied in all material respects with the applicable compliance requirements of its major federal programs. Our audit of the financial statements does not relieve you or management of responsibility for the accuracy of the financial statements and /or compliance with applicable requirements.</p> <p>Professional standards also require that we obtain an understanding of the City's internal control to plan the audit. However, such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>	<p>We have audited the financial statements of the City for the year ended December 31, 2020. We have issued:</p> <ul style="list-style-type: none"> ■ An unmodified opinion on the City's financial statements for the year ended December 31, 2020. ■ A report on compliance and on internal control over financial reporting based on an audit of the financial statements in accordance with <i>Government Auditing Standards</i>. ■ An opinion on compliance and a report on internal controls over federal financial assistance in accordance with Uniform Guidance.

Auditor Communications *(Continued)*

AREA	COMMENTS
Other Information In Documents Containing Audited Financial Statements	To our knowledge, the 2020 audited financial statements are not included within any other document.
Planned Scope And Timing Of The Audit	We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter regarding the nature, timing and extent of our audit procedures.
Qualitative Aspects Of Accounting Practices Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about appropriateness of accounting policies and their application.	<ul style="list-style-type: none"> ■ Significant accounting policies are described in Note 1. ■ During the year ended December 31, 2020, no new accounting policies were adopted and the application of existing policies was not changed. ■ We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus. ■ No significant transactions have been recognized in a different period than when the transactions occurred.

Auditor Communications *(Continued)*

AREA	COMMENTS
<p>Management Judgments And Accounting Estimates</p> <p>The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.</p> <p>We evaluated the key factors and assumptions used to develop the estimates noted to the right in determining that these amounts are reasonable in relation to the financial statements taken as a whole.</p>	<ul style="list-style-type: none"> ■ Depreciable lives of capital assets. ■ Estimated collectability of property taxes and other receivables. ■ Actuarial assumptions in the calculation of annual pension and other post-employment benefit costs. ■ Estimated contingencies related to the City's risk management programs. ■ Fair value of investments.
<p>Financial Statement Disclosures</p>	<p>The disclosures are neutral, consistent and clear. Certain disclosures are particularly sensitive because of their significance to the financial statements' users. The most sensitive disclosures affecting the financial statements are:</p> <ul style="list-style-type: none"> ■ Disclosure 2 - Deposits and Investments ■ Disclosure 9 - Long-Term Debt and Other Obligations ■ Disclosure 10 - Risk Management

Auditor Communications *(Continued)*

AREA	COMMENTS
Difficulties Encountered In Performing The Audit	There were no difficulties encountered in dealing with management related to performance of the audit.
Corrected And Uncorrected Misstatements	Professional standards require us to accumulate factual, judgmental and projected misstatements identified during the audit, other than those that are trivial, communicate them to the appropriate level of management, and request their correction. There were no corrected misstatements considered to be material, either individually or in the aggregate. There were no uncorrected misstatements noted in the current year.
Disagreements With Management	None
Management Representations	We have requested certain representations from management that are included in the management representation letter dated May 17, 2021. A copy of the signed representation letters is attached.
Management Consultations With Other Independent Accountants	None
Other Audit Findings Or Issues	There were no matters of significant discussion that affected our retention as the City's auditors.

New Accounting Pronouncements

GASB Statement No. 87, *Leases*

- The guidance will update the presentation of how the City's Leases will be reported.
- Effective for the December 31, 2022 financial statements due to an 18 month postponement issued by GASB due to the outbreak of COVID-19. Previously slated implementation for the December 31, 2020 financial statements.

Assessing Near-Term Financial Position

Near-term financial position focuses on whether a government's existing resources and inflows will be sufficient to cover its existing commitments and outflows.

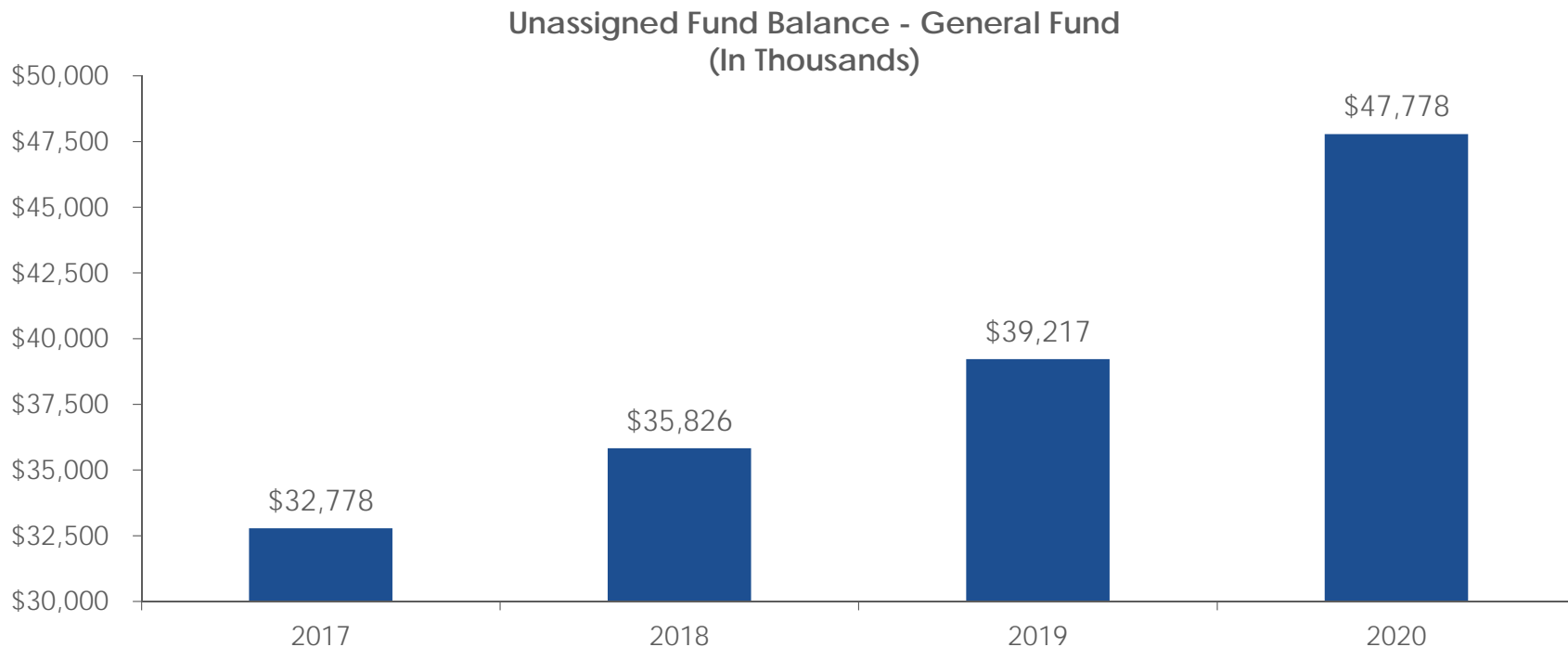
Are there any limitations on how the resources in the fund can be spent?

If so, what is the source of the limitations?

- Nonspendable fund balance – never could be spent (supplies inventory)
- Restricted fund balance – legally enforceable by outside parties (grantors, debt requirements, legislation)
- Committed fund balance – self-imposed limitations of law
- Assigned fund balance – less formal action to limit how certain resources are spent
- Unassigned fund balance – spendable resources that do not fall into any of the above categories

General Fund Summary

City Of Lenexa, Kansas



OBSERVATION

The unassigned fund balance continues to steadily increase over each of the past several years. In 2020, the unassigned fund balance increased by \$8.561 million.

Government-Wide Statement Of Net Position

City Of Lenexa, Kansas

The statistical section of the Comprehensive Annual Financial Report provides ten years of trend data that can be used to perform an analysis.

Most accept, at least in principle, that taxpayers of the current period should pay for the services they receive rather than passing on the costs to the taxpayers of subsequent periods (interperiod equity).

A persistent decline in net position may indicate that this principle is not being honored in practice.

Year	Total City Net Position
2020	\$613,862,049
2019	\$593,976,654
2018	\$570,451,634

Single Audit Summary

A Single Audit is a compliance audit with the requirements of federal grants and programs.

Applicable to state governments, local governments, Native American tribal organizations, not-for-profit organizations, and colleges and universities that expend more than \$750,000 of federal awards in a year.

The Single Audit will determine whether:

- The entity is in compliance with the requirements of federal programs, and
- The entity has internal controls in place to permit compliance with the requirements of federal programs.

The City of Lenexa's Federal Expenditures during 2020 are as follows:

Name of Program	CFDA Number	Cluster Name	Amount Expended
Bulletproof Vest Partnership Grant	16.607		\$ 5,474
Special Traffic Enforcement Program (STEP)	20.600	Highway Safety Cluster	16,807
eCitation	20.616	Highway Safety Cluster	29,406
Highway Planning and Construction	20.205	Highway Planning and Construction Cluster	1,907,962
Community Development Block Grant	14.218	CDBG-Entitlement Grants Cluster	607,306
Homeland Security Grant Program	97.067		15,144
Federal Aid & Sport Fish Restoration	15.605	Fish and Wildlife Cluster	980
Coronavirus Relief Fund	21.019		1,698,526

Total Federal Expenditures for 2020 and 2019 were \$4,281,605 and \$355,489, respectively. No Single Audit was required in 2019 due to the City falling under the \$750,000 threshold.

Single Audit Summary *(Continued)*

Not every federal award program that an organization participates in is audited every year.

- A risk-based approach is used to determine which programs need to be audited.

The City of Lenexa's major programs for 2020 are as follows:

Name of Program	CFDA Number	Cluster Name	Amount Expended
Highway Planning and Construction	20.205	Highway Planning and Construction Cluster	\$ 1,907,962
Coronavirus Relief Fund	21.019		1,698,526

Each major program is required to be tested to ensure compliance with the requirements passed down from the Office of Management and Budget through the Annual Compliance Supplement.

Testing for the City's two major programs identified was completed in concurrence with the Financial Statement Audit.

No significant deficiencies or material weaknesses were identified during single audit testing.



Management Representation Letter

City of Lenexa, Kansas

May 17, 2021

RubinBrown LLP
1200 Main Street
Suite 1000
Kansas City, Missouri 64105

We are providing this letter in connection with your audit of the financial statements of City of Lenexa, Kansas as of December 31, 2020 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lenexa, Kansas and the respective changes in financial position and, where applicable, cash flows thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles.

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief the following representations made to you during your audit.

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above have been fairly presented in accordance with U.S. generally accepted accounting principles and include all proper classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and

through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
 - a. Guarantees, whether written or oral, under which the city council is contingently liable, if any, have been properly recorded or disclosed.
9. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
10. All transactions have been recorded in the accounting records and are reflected in the financial statements.
11. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
12. We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
13. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
15. We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
18. We have made available to you all financial records and related data.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. The city council has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
22. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of

contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

23. As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
24. The city council has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
25. The city council has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
26. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
27. The financial statements properly classify all funds and activities.
28. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
29. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
30. Investments are properly valued.
31. Provisions for uncollectible receivables have been properly identified and recorded.
32. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
33. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
34. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
35. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
36. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
37. The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
38. We have appropriately disclosed the city council's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position was properly recognized under the policy.
39. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
40. With respect to the combining and individual nonmajor fund financial statements and schedule:
 - a. We acknowledge our responsibility for presenting the combining and individual nonmajor fund financial statement in accordance with accounting principles generally accepted in the United States of America, and we believe the combining and individual

nonmajor fund financial statements and other schedules, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual nonmajor fund financial statements and other schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b. If the combining and individual nonmajor fund financial statements and other schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
41. The City's basic financial statements include all entities that are component units of the City as well as joint ventures with an equity interest and the component units have been properly presented as either blended or discrete. The basic financial statements disclose all other joint ventures and other related organizations, if any. For the year ended December 31, 2020, the City has no such joint ventures.
42. The City is responsible for determining the fair value of certain investments as required by GASB Statement No. 31 and 72. The amounts reported represent the City's best estimate of fair value of investments required to be reported under the Statement. The City also has disclosed the methods and significant assumptions used to estimate the fair value of its investments.
43. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
44. We have received opinions of counsel upon each issuance of tax-exempt bonds that the interest on such bonds is exempt from federal income taxes under the Internal Revenue Code of 1986, as amended. There have been no changes in the use of property financed with the proceeds of tax-exempt bonds, or any other occurrences, subsequent to the issuance of such opinions, that would jeopardize the tax-exempt status of the bonds. Provision has been made, where material, for the amount of any required arbitrage rebate.

Single Audit

1. With respect to federal awards, we represent the following to you:
 - a. We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
 - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
 - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
 - d. The methods of measurement or presentation have not changed from those used in the prior period; we were not required to present the schedule of expenditures of federal awards in the prior year.

- e. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- f. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- g. When the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- h. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- i. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- j. We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- k. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- l. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.⁹
- m. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- p. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- q. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- r. We have charged costs to federal awards in accordance with applicable cost principles.
- s. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- t. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly

relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

- u. The reporting package does not contain personally identifiable information.
- v. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- w. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

- x. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.
- y. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
- z. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance. There are no corrective actions noted in the current year.

DocuSigned by:

Becky Yocham

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Becky Yocham, City Manager

DocuSigned by:

Doug Robinson

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Doug Robinson, CFO

DocuSigned by:

Briana Burrichter

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Briana Burrichter, Assistant Chief Financial Officer



COMMITTEE OF THE WHOLE
MEMORANDUM

ITEM 2

SUBJECT: Review quarterly financial report as of 3/31/2021

CONTACT: Doug Robinson, Chief Financial Officer

DATE: May 25, 2021

PROJECT BACKGROUND/DESCRIPTION:

Staff will review the quarterly financial report for the first quarter of fiscal year 2021.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Guiding Principles

Prudent Financial Management

ATTACHMENTS

1. Presentation



City of Lenexa Quarterly Financial Report (Quarter Ending 3/31/2021)

Prepared by the Finance Department

May 25, 2021

1






OVERVIEW

The information contained in this report is unaudited & generally prepared on a cash basis. The report focuses on key indicators in 5 different areas:

- Revenues
- Expenditures
- Reserve Policy
- Debt Management
- Investments

Each key indicator is assigned a current rating based on the following scale:

Rating Scale for Key Indicators	
	Positive Outlook
	Area of Concern
	Negative Outlook

OVERVIEW

Overall, the City's goal is to achieve a "positive outlook" rating on each of the key indicators.

Key indicators are also presented for the local economy. These economic indicators are also assigned a specific rating according to the same rating scale. However, the rating results for these economic indicators are beyond the City's control.

As of 3/31/2021, the City's key revenues increased by \$3.2 million (10%) compared to revenue collections for the same period in 2020. The revenue change is primarily due to increased receipts of City property taxes, sales tax, use taxes and stormwater service charges. In addition, expenditures for operating activities & debt service are trending within budget for 2021.

The remaining sections of the report review the key indicators & contain exhibits with details on the City's major revenue collections, operating & debt service expenditures, investment holdings, reserve balances by fund, Thompson Barn financial activity, and Rec Center financial activity.

REVENUE INDICATORS

Status	Indicator	Comments
	Property Taxes (current)	Property tax revenues increased 7% (compared to the same time period in 2020) & are projected to meet the budget estimate.
	Sales Tax - City	City sales tax revenues increased 8% & are projected to meet the budget estimate.
	Sales Tax - County	County sales tax revenues increased 1% & are projected to meet the budget estimate.
	Compensating Use Tax - City	City use tax revenues increased 33% & are projected to meet the budget estimate.
	Compensating Use Tax - County	County use tax revenues increased 19% & are projected to meet the budget estimate.
	Franchise Tax - Electric	Franchise tax (electric) revenues increased 3% & are projected to meet the budget estimate.
	Franchise Tax - Gas	Franchise tax (gas) revenues increased 10% & are projected meet the budget estimate.
	Stormwater Service Charges	Stormwater Service Charges increased 20% & are projected to meet the budget estimate.

REVENUE INDICATORS

Collections for the City's key revenue sources increased by \$3.2 million (10%) as of 3/31/2021 compared to 3/31/2020.

Total property tax collections are \$20.7 million as of 3/31/2021 (61% of the 2021 budget estimate), which is \$1.4 million higher (7%) than collections in 2020.

City sales tax revenues are \$4.8 million for 2021, which is \$0.3 million higher (8%) than collections in 2020. County sales tax revenues are \$2.3 million for 2021 which is consistent with collections in 2020. City use tax revenues are \$2.4 million for 2021, which is \$0.6 million higher (33%) than collections in 2020. County use tax revenues are \$0.7 million for 2021, which is \$0.1 million higher (19%) than collections in 2020.

Stormwater service charges are \$3.7 million for 2021, which is \$0.6 million higher (20%) than service charges in 2020.

Exhibit A includes additional information on the City's key revenue sources.

EXPENDITURE INDICATORS

Status	Indicator	Comments
	Operating Expenditures - General Fund	General Fund operating expenditures decreased 4% & are projected to be within budget.
	Operating Expenditures - Stormwater Fund	Stormwater Fund operating expenditures decreased 20% & are projected to be within budget.
	Debt Service Expenditures - All Funds	Debt service expenditures decreased 16% & are projected to be within budget estimate.

EXPENDITURE INDICATORS

The City's operating expenditure indicators are trending favorably in comparison to the 2021 budget.

General Fund operating expenditures decreased by 4% as of 03/31/2021 compared 3/31/2020 & are 23% of the 2021 budget estimate. Stormwater operating expenditures decreased by 20% compared to 2020 & are 17% of the 2021 budget estimate.

Debt service expenditures decreased by 16% compared to 2020 & are 12% of the 2021 budget estimate (this reflects interest payments made on 3/1/2021; principal payments and more interest payments will be made on 9/1/2021).

Exhibit B includes additional information on the City's expenditure indicators.

RESERVE POLICY INDICATORS

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	General Fund	The current General Fund reserve balance is 65% of budgeted revenues. This percentage exceeds the 30% minimum reserve target established by policy.
	Debt Service Fund	The current Debt Service Fund reserve balance is 75% of budgeted expenditures/transfers. This percentage exceeds the 10% minimum reserve target established by policy.
	Stormwater Fund	The current Stormwater Fund reserve balance is 96% of budgeted revenues. This percentage exceeds the 10% minimum reserve target established by policy.
	Rec Center Fund	The current Rec Center Fund reserve balance is 68% of budgeted revenues. This percentage exceeds the 10% minimum reserve target established by policy.
	Tourism & Convention Fund	The current Tourism & Convention Fund reserve balance is 120% of budgeted revenues. This percentage exceeds the 5% minimum reserve target established by policy.

RESERVE POLICY INDICATORS

The City's key reserve indicators are trending favorably in comparison to the City's reserve policy.

The significant balance in the General Fund will be reduced later in 2021 assuming the Governing Body approves the transfer of excess reserve amounts to the Capital Improvement Fund to finance upcoming capital projects.

The significant balances in the Debt Service Fund & Stormwater Fund will be reduced later in 2021 when principal and interest payments are made on outstanding bond issues.

The significant balance in the Tourism & Convention Fund has occurred due to the opening of new hotels in the City. These funds can only be used for promotion of tourism and economic development purposes. Currently, revenues in the Tourism & Convention Fund are used to provide funding to the Convention and Visitors' Bureau, Lenexa Economic Development Council, Legler Barn operations, Public Market operations, and debt service on the Lenexa Conference Center (at the Hyatt Place Hotel).

Exhibit E contains additional information on the City's reserve balances.

DEBT MANAGEMENT INDICATORS

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	Ratio of budgeted debt service to budgeted total expenditures	The ratio of debt service to total expenditures is 15% for the 2021 budget (this percentage is considered "manageable" by the credit rating agencies - target is 15% or less).
	Ratio of direct g.o. debt to appraised valuation	The ratio of city g.o. (general obligation) debt to appraised valuation is 1.66 % as of October 2020. This is considered manageable by the credit rating agencies.

DEBT MANAGEMENT INDICATORS

In order to finance previous & existing capital improvements, the City has issued a significant amount of general obligation (g.o.) debt.

The previous debt issued has resulted in a ratio of debt service to total expenditures of 15% for the 2021 budget. This is considered to be manageable by the credit rating agencies (generally, the rating agencies prefer ratios of 15% or lower).

The ratio of g.o. debt to appraised value (estimated market value) is 1.66% - the rating agencies consider this to be manageable.

INVESTMENT INDICATORS (operating portfolio)

Status	Indicator	Comments
	Portfolio distribution compared to policy parameters	The portfolio value by investment type is within the limits established by the city's investment policy.
	Current yield vs. short-term portfolio rate of return benchmark	Current investment yield of .048% exceeds the .03% benchmark.
	Current yield vs. long-term portfolio rate of return benchmark	Current investment yield of .137% exceeds the .07% benchmark.

INVESTMENT INDICATORS (operating portfolio)

The City's investment indicators are favorable in comparison to the investment policy. In accordance with the investment policy, the City primarily purchases U.S. Treasury and U.S. Government Agency fixed income securities.

The portfolio value by investment type is within the limits established by the investment policy and actual rates of return exceed the policy benchmarks. Specifically, the 3/31/2021 short-term portfolio rate of return (including cash equivalents) is .05% compared to the benchmark (3-month Treasury yield) of .03%. The 3/31/2021 long-term portfolio rate of return is .14% compared to the benchmark (1-year Treasury yield) of .07%. Overall, the rate of return for the City's investment portfolio has decreased by approximately 29 basis points (.29%) from 3/31/2020 to 3/31/2021.

As of 3/31/2021, the unrealized gain on the City's investment portfolio is \$0.1 million (this means the City would have gained \$0.1 million compared to the book value of the investments if all of the securities were sold in the open market on 3/31/2021). In practice, the City usually holds all investment securities to maturity and rarely sells an investment security on the open market for a gain or loss.

The total market value of the City's operating portfolio is \$151.4 million as of 3/31/2021. Exhibits C & D include additional information on the City's investments.

ECONOMIC INDICATORS

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	Commercial Building Permits	Total valuation of commercial building permits is \$38.2 million as of 3/31/2021, compared to a \$41.3 million average in the same time period for 2016 thru 2020.
	Single Family Residential Building Permits	Total valuation of single family residential building permits is \$23.7 million as of 3/31/2021, compared to a \$18.7 million average for 2016 thru 2020.
	Apartment Building Permits	There were no apartment permits issued in the first quarter of 2021, compared to a \$2.7 million average for 2016 thru 2020.
	Average Home Value (Appraised Value)	As of March 2021, the average appraised value of a Lenexa home is approximately \$352,012 an increase of 7% from the previous year (\$328,922).

ECONOMIC INDICATORS

Commercial building permit valuation is \$38.2 million as of 3/31/2021 compared to an average of \$41.3 million in the same time period for 2016 thru 2020. Single family residential permit valuation is \$23.7 million for 2021 compared to an average of \$18.7 million for 2016 thru 2020.

Total building permit revenue is \$343,000 for 2021 compared to \$405,000 or the same period in 2020.

The average appraised value of a Lenexa home is \$352,012 for 2021, an increase of 7% from 2020 (\$328,922) per the Johnson County Appraiser's Revaluation Report dated February 2021.

OTHER INFORMATION

Additional exhibits in the report include:

- Thompson Barn financial report (Exhibit F)
- Purchase Order report (Exhibit G)
- Rec Center Financial Report (Exhibit H)

Please contact Doug Robinson or Briana Burrichter if you have any questions about the 3/31/2021 quarterly financial report.

Exhibit A – Budget and Actual Collections for Major Revenue Sources

3/31/2021	Actual for	FY 2021	Actual for	Actual 2021		
	1/1/2020 thru	Budget	1/1/2021 thru	as a % of	% Change	\$ Change
Description	3/31/2020	Estimate	3/31/2021	Budget Estimate	from FY 2020	from FY 2020
Property Taxes (current)	\$19,308,229	\$33,791,078	\$20,717,878	61%	7%	\$1,409,649
Sales Tax - City	\$4,488,543	\$15,539,000	\$4,836,403	31%	8%	\$347,860
Sales Tax - County	\$2,321,945	\$7,959,000	\$2,351,125	30%	1%	\$29,180
Comp Use Tax - City	\$1,783,658	\$5,196,000	\$2,369,626	46%	33%	\$585,968
Comp Use Tax - County	\$603,226	\$1,738,000	\$716,960	41%	19%	\$113,734
Franchise Tax - Electric	\$1,099,330	\$5,000,000	\$1,128,035	23%	3%	\$28,705
Franchise Tax - Gas	\$485,243	\$1,100,000	\$533,033	48%	10%	\$47,790
Stormwater Service Charges	\$3,073,945	\$5,647,145	\$3,674,637	65%	20%	\$600,692
Totals	\$33,164,119	\$75,970,223	\$36,327,696	48%	10%	\$3,163,577

Exhibit B – Operating and Debt Service Expenditures

3/31/2021	Actual for	FY 2021	Actual for	Actual 2021		
	1/1/2020 thru	Budget	1/1/2021 thru	as a % of	% Change	\$ Change
Description	3/31/2020	Estimate	3/31/2021	Budget Estimate	from FY 2020	from FY 2020
Operating Expenditures:						
General Fund	\$15,365,196	\$63,927,468	\$14,744,969	23%	-4%	(\$620,226)
Stormwater Fund	\$438,256	\$2,053,554	\$349,270	17%	-20%	(\$88,985)
Totals	\$15,803,451	\$65,981,022	\$15,094,240	23%	-4%	(\$709,212)
Debt Service Expenditures:						
Debt Service Fund	\$1,665,141	\$11,930,565	\$1,366,259	11%	-18%	(\$298,882)
Capital Improvement Fund	\$422,050	\$2,839,100	\$372,050	13%	-12%	(\$50,000)
Tourism & Convention Fund	\$55,053	\$276,856	\$50,928	18%	-7%	(\$4,125)
Stormwater Fund	\$434,077	\$3,030,066	\$376,561	12%	-13%	(\$57,516)
Totals	\$2,576,321	\$18,076,587	\$2,165,798	12%	-16%	(\$410,523)

Exhibit C – Investment Summary

Investment Type	Market Value	% of Market Value	Maximum % Allowed by Policy
U.S. Government Agency Obligations	\$75,573,797	50%	90%
U.S. Treasury Notes and Bills	\$65,652,912	44%	100%
Collateralized Time and Demand Deposits	\$56,734	<1%	100%
Kansas Municipal Investment Pool Fund (MIP)	\$525,754	<1%	30%
Repurchase Agreements	\$9,543,000	6%	30%
Total Portfolio	\$151,352,197	100%	n/a

CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(3/31/2021)
Exhibit D - List of U.S. Treasury and U.S. Government Agency Investments

Short-term Portfolio:

Description	Par Value	Current Yield	Final Maturity	Current Book Value	Current Market Value	Unrealized Gain as of 3/31/2021
FEDERAL HOME LOAN BANKS	3,000,000	0.035	06/11/2021	3,006,154	3,020,937	14,783
FEDERAL HOME LOAN BANKS	5,000,000	0.096	03/11/2022	5,099,713	5,101,630	1,917
FEDERAL NATIONAL MORTGAGE ASSOCIATION	6,000,000	0.035	05/06/2021	5,991,641	6,007,086	15,445
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5,000,000	0.053	10/07/2021	5,029,892	5,034,140	4,248
FEDERAL NATIONAL MORTGAGE ASSOCIATION	6,000,000	0.025	04/13/2021	5,999,624	6,004,950	5,326
UNITED STATES TREASURY	4,000,000	0.063	07/15/2021	4,000,631	4,030,000	29,369
UNITED STATES TREASURY	5,000,000	0.071	11/15/2021	5,082,881	5,087,500	4,619
UNITED STATES TREASURY	5,000,000	0.097	02/15/2022	5,101,424	5,105,469	4,044
UNITED STATES TREASURY	5,000,000	0.062	09/30/2021	5,032,546	5,035,938	3,392
FEDERAL HOME LOAN BANKS	5,000,000	0.053	12/20/2021	5,050,680	5,056,525	5,845
FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000	0.063	01/28/2022	5,055,891	5,061,305	5,414
FEDERAL FARM CREDIT BANKS FUNDING CORP	4,000,000	0.043	08/12/2021	4,000,052	4,001,700	1,648
UNITED STATES TREASURY	5,000,000	0.020	07/22/2021	4,998,670	4,999,689	1,019
UNITED STATES TREASURY	6,000,000	0.020	07/22/2021	5,998,376	5,999,627	1,251
UNITED STATES TREASURY	5,000,000	0.020	07/22/2021	4,998,765	4,999,689	924
UNITED STATES TREASURY	5,000,000	0.020	07/22/2021	4,998,734	4,999,689	955
Sub-total: Short-term Portfolio	\$79,000,000	0.048		\$79,445,674	\$79,545,873	\$100,199

Long-term Portfolio:

Description	Par Value	Current Yield	Final Maturity	Current Book Value	Current Market Value	Unrealized Gain (Loss) as of 03/31/2021
UNITED STATES TREASURY	4,000,000	0.109	05/15/2022	4,073,153	4,073,750	597
FEDERAL HOME LOAN BANKS	5,000,000	0.166	12/09/2022	5,147,416	5,144,020	(3,396)
FEDERAL HOME LOAN BANKS	4,000,000	0.146	09/09/2022	4,104,754	4,106,536	1,782
FEDERAL NATIONAL MORTGAGE ASSOCIATION	3,000,000	0.106	04/05/2022	3,054,213	3,053,607	(606)
UNITED STATES TREASURY	3,000,000	0.120	07/31/2022	3,070,995	3,070,313	(682)
UNITED STATES TREASURY	3,000,000	0.088	04/15/2022	3,065,945	3,067,500	1,555
UNITED STATES TREASURY	3,000,000	0.088	04/15/2022	3,067,061	3,067,500	439
UNITED STATES TREASURY	3,000,000	0.120	06/15/2022	3,058,177	3,059,063	886
UNITED STATES TREASURY	3,000,000	0.127	08/15/2022	3,055,551	3,056,719	1,167
FEDERAL HOME LOAN MORTGAGE CORP	3,000,000	0.126	07/25/2022	2,998,630	2,999,946	1,316
UNITED STATES TREASURY	3,000,000	0.113	07/31/2022	3,001,073	3,000,469	(604)
UNITED STATES TREASURY	3,000,000	0.125	08/31/2022	3,000,952	3,000,000	(952)
FEDERAL HOME LOAN BANKS	4,000,000	0.146	10/21/2022	3,996,411	3,998,672	2,261
FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000	0.156	11/23/2022	4,999,192	4,997,425	(1,767)
FEDERAL FARM CREDIT BANKS FUNDING CORP	6,000,000	0.176	01/12/2023	5,999,039	5,993,994	(5,045)
FEDERAL FARM CREDIT BANKS FUNDING CORP	6,000,000	0.176	02/24/2023	5,995,375	5,991,324	(4,051)
Sub-total: Long-term Portfolio	\$61,000,000	0.137		\$61,687,937	\$61,680,837	(\$7,100)

Description	Par Value	Current Yield	Current Book Value	Current Market Value	Unrealized Gain as of 03/31/2020
TOTALS	\$140,000,000	0.087	\$141,133,611	\$141,226,710	\$93,099

Report Notes:

This report includes the City's U.S. Treasury and U.S. Government Agency investments held by the third-party custodian (UMB Bank). This report does not include investments held away from the third-party custodian, which include:

- Repurchase Agreements
- Collateralized Time & Demand Deposits
- Municipal Investment Pool (Overnight Pool)

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(3/31/2021)**

Exhibit E - Reserve Balances by Fund

3/31/2021						
Fund	3/31/2021 Reserve Balance	FY 2021 Budget	Policy Minimum Reserve Target	Minimum Reserve Target (per policy)	Actual 3/31/2021 Reserve Percentage	Projected 12/31/2021 Reserve Percentage
General Fund	\$51,341,376	\$78,498,468	30%	\$23,549,540	65%	42%
Debt Service Fund	\$9,846,708	\$13,215,026	10%	\$1,321,503	75%	29%
Health Plan Fund	\$4,903,041	n/a	n/a	\$1,627,823	n/a	n/a
Risk Management Fund	\$1,698,790	n/a	n/a	\$1,005,919	n/a	n/a
Worker's Compensation Fund	\$2,018,497	n/a	n/a	\$1,476,878	n/a	n/a
Stormwater Fund	\$6,096,932	\$6,359,367	10%	\$635,937	96%	55%
Rec Center Fund	\$1,932,810	\$2,858,042	10%	\$285,804	68%	31%
Tourism and Convention Fund	\$1,114,029	\$931,144	5%	\$46,557	120%	222%
Special Alcohol Fund	\$490,031	\$235,000	5%	\$11,750	209%	406%

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(3/31/2021)**

Exhibit F - Thompson Barn Financial Report

<u>Account Description</u>	<u>Amount as 3/31/2020</u>	<u>Amount as 3/31/2021</u>																														
<u>Revenues:</u>																																
Community Rentals	\$34,506	\$4,500																														
Total Revenues	\$34,506	\$4,500																														
<u>Expenditures and Encumbrances:</u>																																
Personnel Costs	\$7,561	\$2,684																														
Contractual Services	\$68,157	\$2,552																														
Commodities	\$2,235	\$3,220																														
Total Expenditures and Encumbrances	\$77,953	\$8,456																														
Revenues less Expenditures and Encumbrances	(\$43,447)	(\$3,956)																														
Unspent Balance as of January 1st	\$810,872	\$772,698																														
Unspent Balance as of March 31st	\$767,425	\$768,742																														
<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="3" style="text-align: center;"><u>Rental Activity:</u></td></tr> <tr> <td style="text-align: center;"><u>Number of Rentals</u></td><td style="text-align: center;"><u>3/31/2020</u></td><td style="text-align: center;"><u>3/31/2021</u></td></tr> <tr> <td>Chamber of Commerce</td><td style="text-align: center;">5</td><td style="text-align: center;">1</td></tr> <tr> <td>City of Lenexa</td><td style="text-align: center;">4</td><td style="text-align: center;">9</td></tr> <tr> <td>Public</td><td style="text-align: center;">41</td><td style="text-align: center;">21</td></tr> <tr> <td>Totals</td><td style="text-align: center;">50</td><td style="text-align: center;">31</td></tr> <tr> <td style="text-align: center;"><u>Types of Rentals</u></td><td style="text-align: center;"><u>3/31/2020</u></td><td style="text-align: center;"><u>3/31/2021</u></td></tr> <tr> <td>Meetings</td><td style="text-align: center;">14</td><td style="text-align: center;">13</td></tr> <tr> <td>Social Functions</td><td style="text-align: center;">36</td><td style="text-align: center;">18</td></tr> <tr> <td>Totals</td><td style="text-align: center;">50</td><td style="text-align: center;">31</td></tr> </table>			<u>Rental Activity:</u>			<u>Number of Rentals</u>	<u>3/31/2020</u>	<u>3/31/2021</u>	Chamber of Commerce	5	1	City of Lenexa	4	9	Public	41	21	Totals	50	31	<u>Types of Rentals</u>	<u>3/31/2020</u>	<u>3/31/2021</u>	Meetings	14	13	Social Functions	36	18	Totals	50	31
<u>Rental Activity:</u>																																
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CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(3/31/2021)

Exhibit G - Purchase Order Report (\$20,000.01 - \$75,000)

Fund/Department	Vendor Name	Amount	Description	Date
Municipal Services	Easy Ice LLC	69,456.89	Ice dispenser units	01/04/2021
Municipal Court	Kathryn E Marsh	26,164.40	2021 Public Defender Services - Marsh	01/05/2021
Municipal Court	The Law Offices of Tel Parrett LLC	26,164.40	2021 Public Defender Services - Parrett	01/05/2021
Information Technology Department	ConvergeOne Inc	28,852.27	Annual maintenance for EMC-Dell hardware	01/07/2021
Information Technology Department	Envrionmental Systems Research Institute	50,750.00	Geographic Information System Software	01/07/2021
Community Development	City Center Lenexa Master Association	44,660.30	Annul contribution to CCL Master Association	01/07/2021
Information Technology Department	Vermont Systems, Inc.	24,162.00	Annual maintenance for RecTrac	01/11/2021
Police Department	All City Management Services	55,364.40	Crossing guard services for second term of 2020-2021 school year	01/11/2021
City Administration	Federico Consulting Inc	35,600.00	Annual legislative consulting services	01/12/2021
Police Department	GT Distributors Inc	22,652.65	Practice ammunition	01/12/2021
Police Department	GT Distributors Inc	27,008.00	Practice ammunition back ordered from 2020	01/12/2021
Information Technology Department	ConvergeOne Inc	20,515.00	VMWare Airwatch Renewal	01/20/2021
Information Technology Department	Gibbs Technology Company	21,000.00	Backup internet service provider	01/20/2021
Information Technology Department	ConvergeOne Inc	22,100.00	Annual maintenance for Duo licensing two factor verification	01/20/2021
Information Technology Department	CDW Government LLC	22,816.35	Annual Adobe Licensing Fee	01/20/2021
Information Technology Department	ConvergeOne Inc	27,000.00	VMWare Production Support	01/20/2021
Information Technology Department	Lucity Inc	27,265.00	Annual maintenance for MuniServ software	01/20/2021
Information Technology Department	ConvergeOne Inc	32,000.00	Annual maintenance for Varonis	01/20/2021
Information Technology Department	Midwest Presentations Inc	47,750.00	Annual Audio Video Support Maintenance Agreement	01/20/2021
Information Technology Department	Tyler Technologies	70,934.00	Annual maintenance for Tyler software	01/20/2021
Information Technology Department	Consolidated Communications Holdings Inc	60,000.00	Voice over internet protocol and internet service provider	01/21/2021
Communications	US Postal Service	29,400.00	Town Talk postage for publications for 2021	02/03/2021
Communications	Single Source Printing LLC	57,000.00	Town Talk printing expenses for 2021	02/03/2021
Parks and Recreation	Majestic Franchising/Jani-King	23,065.00	Seasonal parks restroom cleaning services	02/03/2021
Stormwater Infrastructure	Linaweaver Construction Inc	22,640.00	Lakeview stormdrainage improvements	02/08/2021
Parks and Recreation	Sticks n Stones Landscape LLC	73,965.24	Purchase of street trees	02/17/2021
Police Department	Blue Valley Public Safety	34,710.00	Annual maintenance for outdoor warning sirens	02/22/2021
Municipal Services 2021 Pavement Management Program	City of Overland Park	36,957.20	2020 Pavement Management Program interlocal with Overland Park	03/08/2021
Municipal Services Traffic Equipment Reserve Fund	MoboTrex Inc	74,990.00	ZincFive UPS2 (10) Charge/Controller; (20) 33x Battery Panel	03/09/2021
Police Department	C&C Sales Inc	28,595.00	Annual maintenance for Surveillance Cameras and Pro Reader	03/22/2021
Police Department Patrol Equipment Reserve Fund	Roberts Auto Plaza	48,946.25	2021 Chevrolet Tahoe 4WD Police Department vehicle ERF	03/22/2021
Police Department Patrol Equipment Reserve Fund	Mestdagh, Alan B	36,675.00	3 Night Vision Binoculars	03/31/2021
Police Department Patrol Equipment Reserve Fund	Electronic Technology	37,425.00	15 Network Cameras	03/31/2021
Municipal Services 2021 Pavement Management Program	Stantec Consulting Services Inc.	51,600.00	2021 Pavement Management Program pavement evaluation	03/31/2021

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(3/31/2021)**

Exhibit H - Rec Center Financial Report

<u>Account Description</u>		<u>FY 2021 Budget</u>	<u>Amount as 3/31/2021</u>
<u>Revenues:</u>			
<u>Account:</u>			
45601 & 45660	Membership Fees	\$1,600,000	\$357,393
45599, 45641 & 45654	Day Pass Fees	\$240,000	\$98,727
45640	Child Care Fees	\$35,000	\$4,807
45665	Silver Sneakers Fees	\$50,000	\$17,142
45647	Birthday Party Rental Fees	\$140,000	\$8,518
45642-45644	Fitness Class Fees	\$110,000	\$17,229
45613, 45916-45920	Swim Lessons/Aquatics Programs	\$65,200	\$39,774
45619, 45625, 45627, 45635, 45637, 45639, 45645, 45646	Sports Programs	\$23,800	\$11,491
45648, 45732	Other Event & Rental Fees	\$7,000	\$0
45617, 45621, 45623, 45629, 45649, 45651, 45652, 45653	Other Classes & Camps Fees	\$171,500	\$28,301
44270	Grant Revenues (CDBG)	\$0	\$0
47120 & 47130	Investment Income	\$5,000	\$5,141
48204, 48210, 48216, 48217, 48230, 48235, 48250, 48281, 48282, 48285, 48286, 49435	Vending & Miscellaneous Revenues	\$19,000	\$2,881
Total Revenues		\$2,466,500	\$591,403
<u>Expenses:</u>			
	Personnel Costs	\$2,064,834	\$330,011
	Contractual Services	\$500,803	\$110,241
	Commodities	\$267,405	\$27,996
	Capital Outlay	\$25,000	\$0
Total Expenses		\$2,858,042	\$468,248
Revenues less Expenses		(\$391,542)	\$123,155
Transfer from General Fund		\$0	\$0
Net Position (Balance), January 1, 2021			\$1,809,655
Net Position (Balance), March 31, 2021			\$1,932,810
<u>Statistics as of 03/31/2021</u>			
<i>Rec Center opened for operations in late July of 2017.</i>			
	<u>Memberships</u>	<u>Number</u>	<u>% Share</u>
	Household	3,887	63.1%
	PLUS 1 (members above total of 5 members per household)	337	5.5%
	Adult	521	8.5%
	Senior	308	5.0%
	Specialty Memberships	986	16.0%
	All Other	119	1.9%
	Total Memberships	6,158	100.0%
	Total Membership Units (Pro Forma estimated 2,010 in first year)	2,199	
	Total Visits (1st quarter 2021)	67,938	
	Total Visits (since opening)	887,595	



**COMMITTEE OF THE WHOLE
MEMORANDUM**

ITEM 3

SUBJECT: Parks and Recreation Department - department update

CONTACT: Logan Wagler, Parks & Recreation Director

DATE: May 25, 2021

PROJECT BACKGROUND/DESCRIPTION:

Staff will present a Parks and Recreation Department update.

ATTACHMENTS

1. Presentation



Parks and Recreation Department Update

May 25, 2021





Quality of Life

Citizen's Satisfaction surveys

Vision 2040

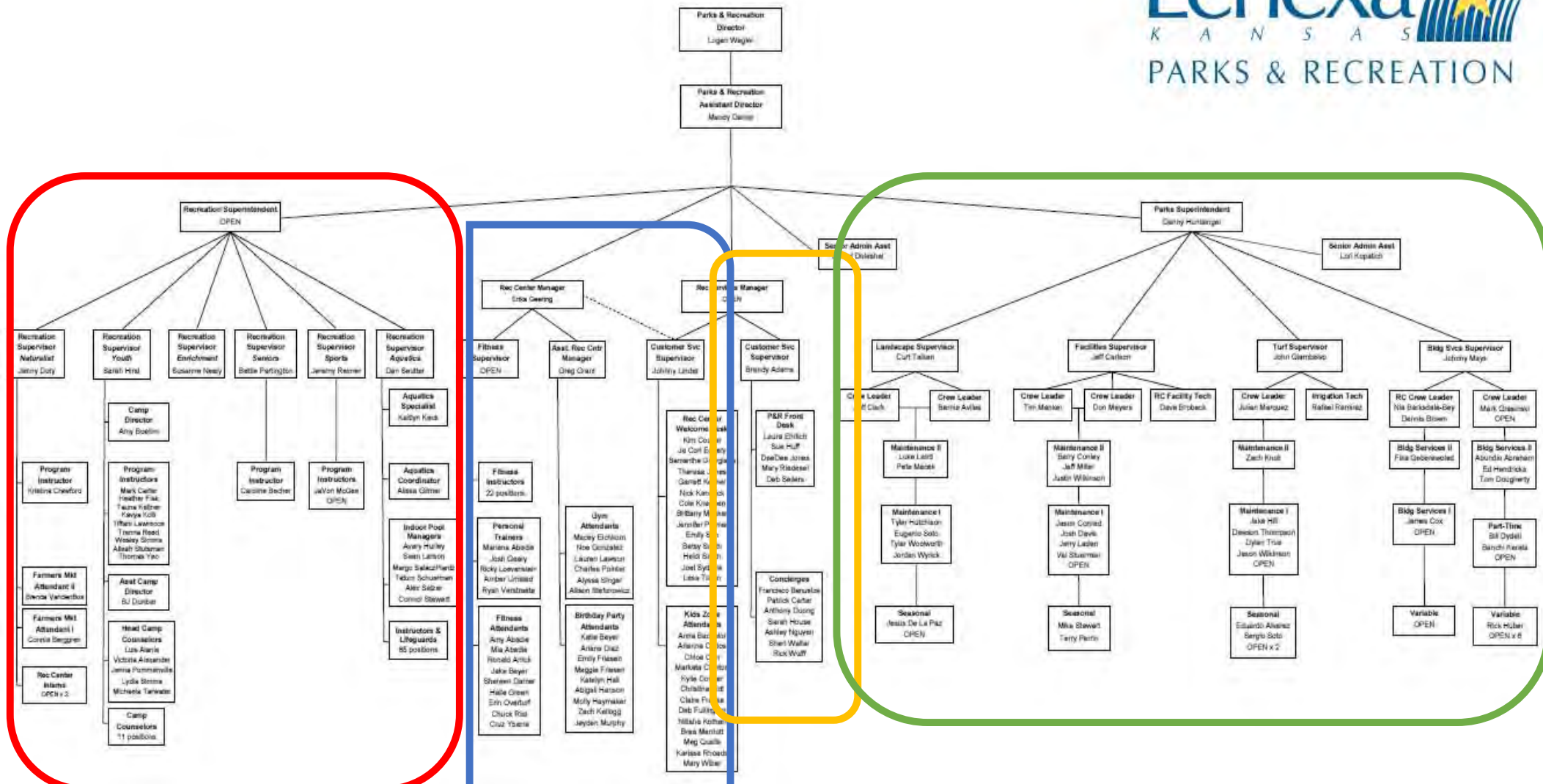
Covid-19 Response



Who is Lenexa Parks and Recreation?









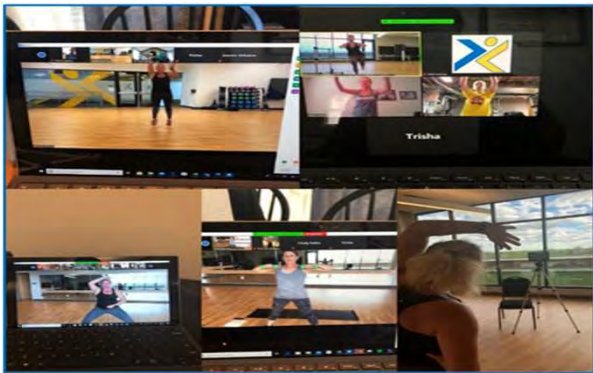
Recap (Do we really want to recap 2020?)

Pandemic – disruption



Center

Community and Member Engagement



- Multiple social media engagement posts on, Facebook, Instagram, and Twitter with over 22K views on social media
- 96 zoom classes
- 107 virtual personal training sessions and 2 specialized virtual small groups.
- At home workout page

Building Projects

Pool

- Acid wash pool plaster
- Waxed slide
- Calcium removal from kiddie pool structure
- Power washed pool deck
- Cleaning the filtration system

Facility Wide

- Scrubbed floors throughout the facility
- Touched up walls where needed
- Deep cleaned entire facility

Fitness Floor

- Repaired flooring
- Cleaned duct work
- Painted railings



ter

Memberships

Timeline

- Pre-pandemic = 10,000+ members
- Suspended billing March, April, May
- Reopen in June = 6,800 members
- Charter Renewals = Below 6,000
- Today = 6650+

Member Options

1. Remain active
2. Freeze for three months
3. Cancel membership

Rec Center Pro Forma

- Initial five year cost recovery forecast model (2017)

Years	Expense	Revenue	Difference	Recovery %
Base	\$2,108,837	\$2,012,334	(\$96,103)	95%
Year 2	\$2,182,646	\$2,112,950	(\$69,696)	96%
Year 3	\$2,259,038	\$2,197,468	(\$61,570)	97%
Year 4	\$2,338,105	\$2,285,567	(\$52,538)	98%
Year 5	\$2,419,938	\$2,335,928	(\$84,010)	97%

- Actual cost recovery

Years	Expense	Revenue	Difference	Recovery %
2017	\$1,060,637.86	\$740,529.27	(\$320,108.59)	70%
2018	\$2,058,983.00	\$2,540,333.64	\$481,350.64	128%
2019	\$2,079,356.66	\$3,171,846.29	\$1,092,589.63	153%
2020	\$1,997,863.00	\$1,744,006.00	(253,857.00)	87%

*2021 Q1 – Tracking at 126% cost recovery



Recreation Programming and Events

Programs - By the Numbers

- Summer Camp/Kids Day out- **550**
- Shining Starts Dance - **643**
- Karate - **307**
- Art Classes - **106**
- Drop in Pickleball -**790**
- Pickleball Tournaments – **214**
- Pickleball and Tennis Lessons – **46**
- Puzzle Tournament – **32**
- Smart Start Sports – **118**
- Baseball / T-ball – **72**
- Basketball – **107**
- E-Sports – **84**
- Soccer – **257**
- Family Campout - **67**
- Ultimate Frisbee – **117**
- **Others.....**

Festivals / Events

- **Festivals/Events**

- Total of 20 Festi
- Festivals v-
- partici
- c



- **Sponsors**

- 124 total sponsors in 2019
- \$58,230 cash donations and \$155,141 in-kind donations

- **Volunteers**

- 7,079 volunteer hours for the Parks & Recreation Department
- 641 volunteers
- Valued at \$180,018.97 in labor

- **Partnerships**

work with a wide range of partners for many of festivals and events including JoCo Library, 94.9 KCMO, Consolidated Communications, and more.

- **Staff Demands / Challenges**

- Biggest challenge for staff
- Takes away from regular work

What events did we do?

- Movies in the Park
- Tiny Tot Triathlon
- Concerts
- Porch Decorating Efforts
- Virtual Freedom Run
- Senior Holiday Banquet (Drive-Thru style)
- Virtual Holiday Lighting



Arts

Public Art

- Team Illusion was reinstalled after 10+ years in storage
- Peace Poles Community Art Project

Events

- Community Orchestra – lecture series
- Outdoor Concerts / Pop Up concerts



Programs

- Puzzle Tournament
- Art Gallery



atics

Aquatics - By the Numbers

Calendar

- One Outdoor pool for 84 days (instead of 100)

Visits

- IT Membership visits **+48%**
- IT Total Visits **+18.5%**

Memberships

Total Membership Sales **+12%**

Programs

- Swim Lessons - Indoor **1372**
- Swim Lessons – Outdoor **356**
- Swim Club **83 participants**





Parks

Parks and Trails Usage

By the Numbers

- 253,000 Dog Waste Bags
- 9,373 Bags of Trash
- 669 Bags of Recycling
- 244,160 Trail Counter passes in SKPTP @ Roses Pond



Projects (what did we do with no festivals?)

Facilities

- Bollard Lights in SKPTP
- Park Lighting LED conversions
- Added bottle fillers to all major parks drinking fountains
- Refurbished tables at Public Market

Turf

- Major turf renovations at 7 parks

Landscaping

- Grew and planted over 15,000 perennials and annuals
- Planted 516 tree replacements
- Pruned every tree along trails and in parks for clearance



Community Spaces

Rentals

Fields Available for Rental (26)

- Freedom Field: 4 Baseball Fields and 7 Soccer / Multiuse Fields
- Little Mill Creek: 12 Soccer / Multiuse Fields
- Sar-Ko-Par: 2 Soccer / Multiuse Fields
- Pickleball and Rollerhockey

Shelters Available for Rental (13)

- Sar-Ko-Par: Lions Memorial, Meadowlark, Sunflower, South, Gazebo, New Pavilion
- Black Hoof: Oak, Stonewall
- Ad Astra Shelter
- Craig Crossing Shelter
- Electric Shelter
- Buffalo Meadows Shelter
- Matt Taylor Shelter

Facilities Available for Rental (13)

- Thompson Barn
- Community Center Campus: Multipurpose Room, AB Room, C Room, Senior Center
- Rec Center: Conference Room, Rec Room, Activity Gym, Birthday Party Rooms (3), Lock-in's
- City Hall: Prairie Star CR, Santa Fe CR, Community Forum

Rentals by Year	Thompson Barn	Comm Center	Senior Center	Rec Center Lock-in's	City Hall	Shelters	Fields
2019	323	395	105	9	188	677	3,626
2020	125	330	18	0	15	400	1489
2021	173	290	63	2	8	461	1515

Facility Cleaning – Wipes Anyone?

Supplies	Roll Count	Wipe Count	Wipe Usage
Sanitizing Wipes Buckets	55	2,300	126,500
Antibacterial Force Wipes Buckets	31	900	27,900
Antibacterial Force Wipes - Refills	26	900	23,400
Ever Wipes	174	900	156,600
Germicidal Disinfectant Wipes	70	75	5,250
Grand Totals	356	5,075	339,650

Boards and Partnerships

- Park Advisory Board
 - Memorial Donations, Tree Planting Effort, valuable feedback
 - Joint Meeting
- Lenexa Arts Council
 - Public Art: Peace Poles, Team Illusion
 - Programming
- Lenexa Historical Society
 - Strategic Plan, Shawnee Tribe, Town Talk



What's Next?

Pandemic Lessons

- Use of Technology is here to stay
 - People want space
 - Continued increase use of parks and trails
 - More programs provided outside
 - Dogs, biking, fishing, skateboarding
 - Wayfinding
 - People value wellness and physical health
-

Operational Efforts

- Continued navigation of pandemic
- Staff re-engagement, department administration team, and training.
- Front-line staff recruitment (Labor based positions)
- Get back to community-based events.
 - Reengage community sponsors and businesses
- Reengage Rec Center members (September)
- Recreation Programming
 - Seniors
 - New efforts (music, automotive maintenance)
- Bikeshare Program rollout

Projects

- Cedar Station Park
 - Little Mill Creek Streamway Trail Tunnel (under 87th Street)
 - City's Comprehensive Plan
 - Parks and Recreation Master Plan Update
 - Aquatics Study Next Steps
 - Community Center & Senior Center Campus Next Steps
 - Black Hoof Park
 - Disc Golf Course & Parking Expansion
-

Questions?





**COMMITTEE OF THE WHOLE
MEMORANDUM**

ITEM 4

SUBJECT: Black Hoof Park North property discussion

CONTACT: Logan Wagler, Parks & Recreation Director

DATE: May 25, 2021

PROJECT BACKGROUND/DESCRIPTION:

The City purchased approximately 50 acres of property abutting the north end of Black Hoof Park in 2007; however, the property is not currently dedicated parkland. Staff will make a presentation about possible options to dedicate and/or program this property for park use.

ATTACHMENTS

1. Presentation

Black Hoof Park - North Property

May 25, 2021 Committee of the Whole Meeting



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Freedoml
Fields

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ARRO\ HEA
LAKE
Vf OODLAND
PO NT

R K

POWDER
CREEK



WHISPERING
HILLS

Woodland Rd

Existing Park (in Red):
Approximately 135 acres

Additional Property North of Parkland
(in Blue):
Approximately 55.1 acres

B R A M P T O N

FALCON RIDGE
ESTATES

Prairie Star Pkwy

DORSET VILLAGE
MANCHESTER
PARK

Prairie Star Pkwy

■ ■ — ...

Additional Property was purchased in 2007 and lists the following funding sources for the land purchase by the City:

- \$1,886,402 - General Fund reserve (68% of total cost)
- \$883,441 - Watershed Fund (now the Stormwater Fund) {32% of total cost)

Total = \$2,769,843

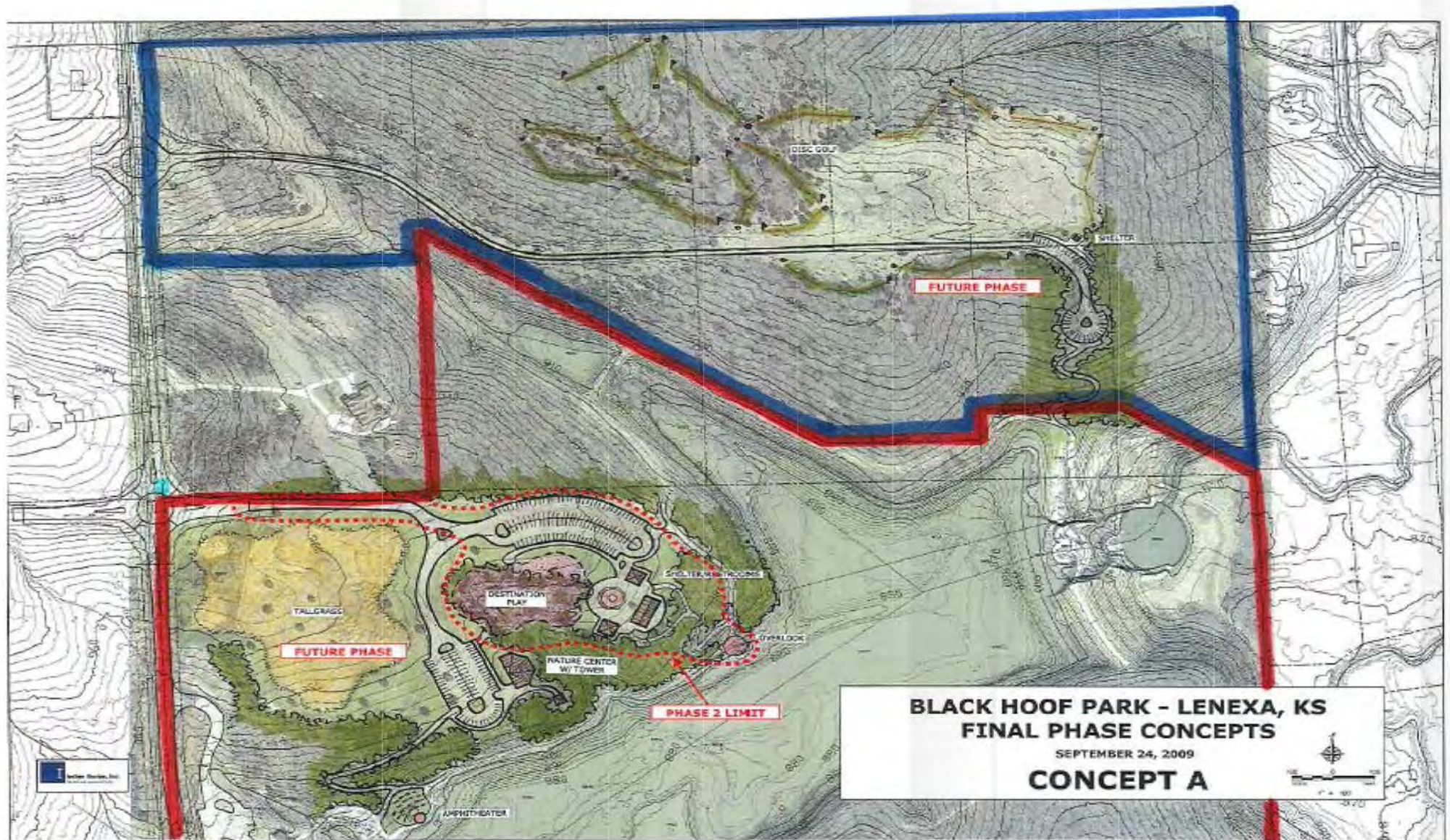
An analysis completed at the time determined that 32% of the land was necessary for stormwater purposes.





Could this be used for park improvements?

- Standing order is that we have not been allowed to put permanent park structures
- Have been allowed to place a Cross County Course on the property
- Would like to program a Disc Golf Course
- LHS has expressed interest in putting some history programming on this property
- Portions of property are important for maintenance access to the spillway.
- Could still allow for portions of this property to be sold or developed for other purposes in the future





Disc Golf Course



- Part of original Black Hoof Park's Master Plan
- High usage and growing popularity at SKPTP and surrounding courses.

-
- Additional 60-75
ces
rmwater and
ding is
complete

Questions and Feedback