



Agenda

**REGULAR MEETING
GOVERNING BODY
CITY OF LENEXA, KANSAS
17101 W. 87th STREET PARKWAY**

**JUNE 4, 2024
7:00 PM
COMMUNITY FORUM**

CALL TO ORDER Pledge of Allegiance

ROLL CALL

APPROVE MINUTES May 21, 2024 City Council meeting draft minutes (located in the Appendix)

**MODIFICATION OF
AGENDA**

PROCLAMATIONS National Gun Violence Awareness Day
Lenexa Barbecue Month
LGBTQ Pride Month

PRESENTATIONS FY 2023 Annual Comprehensive Financial Report -
RubinBrown (Presentation located in the Appendix and
Report located online)

CONSENT AGENDA **Item Numbers 1 through 2**
All matters listed within the Consent Agenda have been distributed to each member of the Governing Body for review, are considered to be routine, and will be enacted by one motion with no separate discussion. If a member of the Governing Body or audience desires separate discussion on an item, that item may be removed from the Consent Agenda and placed on the regular agenda.

1. Acceptance for maintenance
 - a. Acceptance of the Watercrest Landing, Fourth Plat, public improvements for maintenance

This project constructed public street, storm, and streetlight improvements in the Watercrest Landing, Fourth Plat subdivision. The work was privately funded.

- b. Acceptance of the Watercrest Landing, Fifth Plat, public improvements for maintenance

This project constructed public street, storm, and streetlight improvements in the Watercrest Landing, Fifth Plat subdivision. The work was privately funded.

2. Approval to purchase a Bobcat T26 compact track skid steer loader for Municipal Services

The stormwater division will use this equipment. This purchase award is through a cooperative purchasing agreement for a total cost of \$77,966.

END OF CONSENT AGENDA

BOARD RECOMMENDATIONS

3. Approval of Lenexa Arts Council's 2024 recommendations for public art priority locations

Annually, the Lenexa Arts Council submits a list of priority locations for public art to the Governing Body for approval.

PUBLIC HEARINGS

4. Public hearing to consider fiscal year 2025 Community Development Block Grant infrastructure projects

A public hearing to solicit input on potential infrastructure projects is required to receive fiscal year 2025 Community Development Block Grant funds.

NEW BUSINESS

5. Resolution approving a Governing Body Finance Policy for a Property Tax Rebate Program

The fiscal year 2024 budget includes \$100,000 to fund a Property Tax Rebate Pilot Program ("Program"). The Program is intended to provide property tax relief for eligible homeowners and lessen the tax burden resulting from rising home values by offering property tax rebates to eligible homeowners for the City's share of their property taxes. The proposed Governing Body Policy sets out the parameters for eligibility and administration of the Program.

**COUNCILMEMBER
REPORTS**

STAFF REPORTS

6. Quarterly Financial Report

END OF RECORDED SESSION

**BUSINESS FROM
FLOOR**

Comments will be accepted from the audience on items not listed on the agenda. Please limit remarks to a maximum of five (5) minutes per person/issue.

ADJOURN

APPENDIX

7. May 21, 2024 City Council meeting draft minutes
8. National Gun Violence Awareness Day Proclamation
9. Lenexa Barbecue Month Proclamation
10. LGBTQ Pride Month Proclamation
11. FY 2023 Audit and Annual Comprehensive Financial Report Presentation
12. FY 2023 Annual Comprehensive Financial Report (online)
13. Item 6 -- Quarterly Financial Report Presentation

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

ASSISTIVE LISTENING DEVICES ARE AVAILABLE FOR USE IN THE COMMUNITY FORUM BY REQUEST.



ITEM 1a

SUBJECT: Acceptance of the Watercrest Landing, Fourth Plat, public improvements for maintenance
CONTACT: Tim Green, Deputy Community Development Director
DATE: June 4, 2024

ACTION NEEDED:

Accept the Watercrest Landing, Fourth Plat, public improvements for maintenance.

PROJECT BACKGROUND/DESCRIPTION:

This project constructed public street, storm, and streetlight improvements in the Watercrest Landing, Fourth Plat subdivision, subsequently replatted and retitled to Watercrest Landing, Sixth Plat.

Staff performed a final inspection on May 20, 2024, and advised that all work had been completed in accordance with the plans and specifications. The maintenance bonds for this project shall go into force upon acceptance by the Governing Body on June 4, 2024, and will expire on June 4, 2026.

The contractor was Emery Sapp & Sons, Inc.

Total lane miles:	0.18 miles
Total statute miles:	0.09 miles
Pipe length:	36 linear feet

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The work was privately funded.

STAFF RECOMMENDATION:

Acceptance for maintenance.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

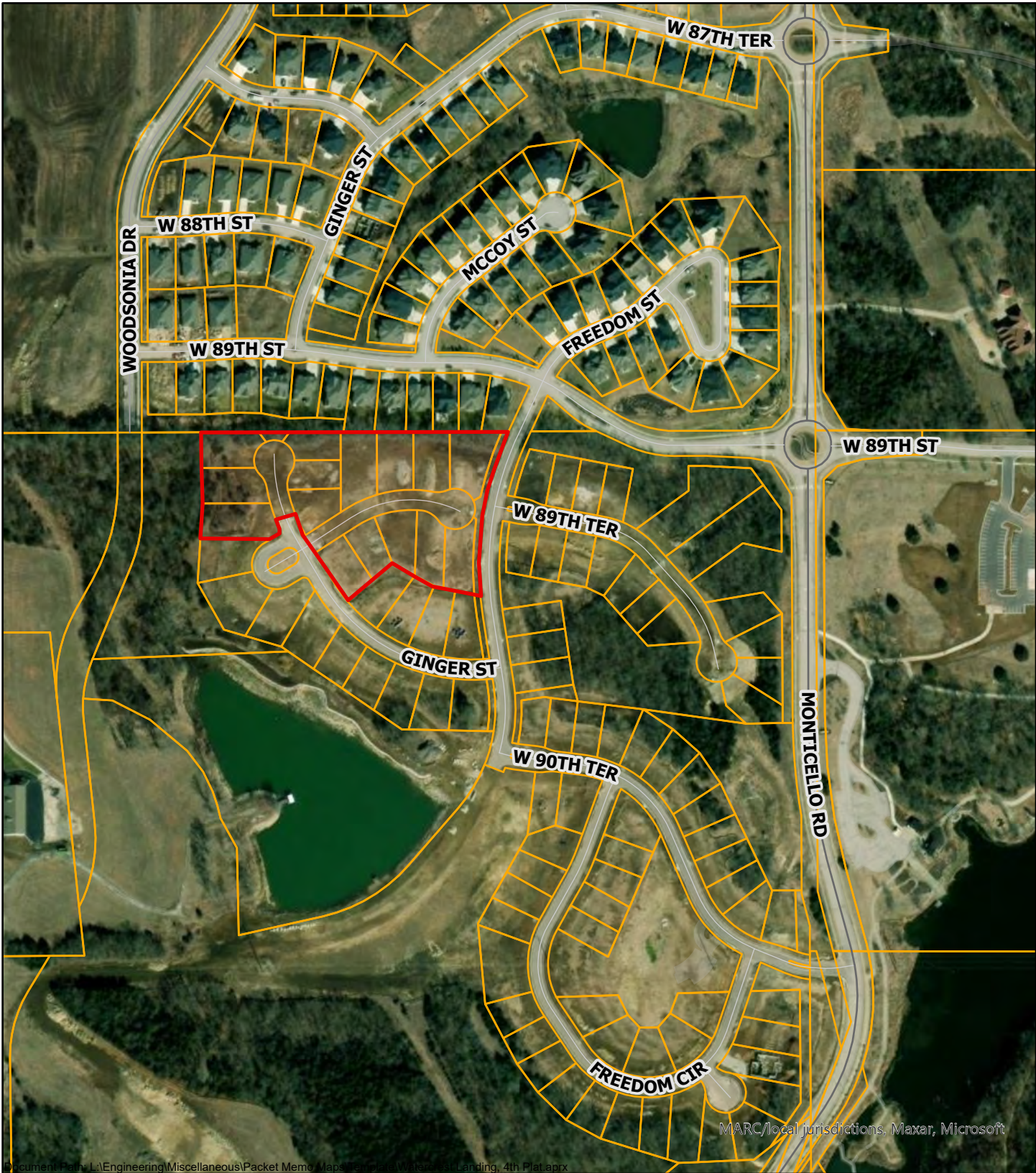
Integrated Infrastructure & Transportation

Guiding Principles

Strategic Community Investment

ATTACHMENTS

1. Map

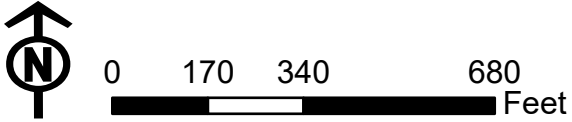


MARC/local jurisdictions, Maxar, Microsoft

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Data Source: City of Lenexa and Johnson County Kansas
For further information, please call 913-477-7500

Watercrest Landing, Fourth Plat Public Improvements





ITEM 1b

SUBJECT: Acceptance of the Watercrest Landing, Fifth Plat, public improvements for maintenance
CONTACT: Tim Green, Deputy Community Development Director
DATE: June 4, 2024

ACTION NEEDED:

Accept the Watercrest Landing, Fifth Plat, public improvements for maintenance.

PROJECT BACKGROUND/DESCRIPTION:

This project constructed public street, storm, and streetlight improvements in the Watercrest Landing, Fifth Plat subdivision.

Staff performed a final inspection on May 20, 2024, and advised that all work had been completed in accordance with the plans and specifications. The maintenance bonds for this project shall go into force upon acceptance by the Governing Body on June 4, 2024, and will expire on June 4, 2026.

The contractor was Emery Sapp & Sons, Inc.

Total lane miles:	0.28 miles
Total statute miles:	0.14 miles
Pipe length:	427 linear feet

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The work was privately funded.

STAFF RECOMMENDATION:

Acceptance for maintenance.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Integrated Infrastructure & Transportation

Guiding Principles

Strategic Community Investment

ATTACHMENTS

1. Map

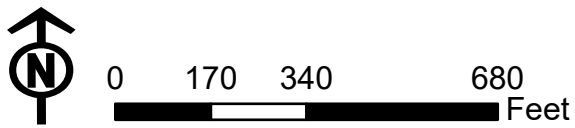


MARC/local jurisdictions, Maxar

Document Path: L:\Engineering\Miscellaneous\Packaging\Johnson County\Watercrest Landing - Fifth Plat.aprx

Data Source: City of Lenexa and Johnson County Kansas
For further information, please call 913-477-7500

Watercrest Landing, Fifth Plat Public Improvements





ITEM 2

SUBJECT: Approval to purchase a Bobcat T26 compact track skid steer loader for Municipal Services
CONTACT: Nick Arena, Municipal Services Director
DATE: June 4, 2024

ACTION NEEDED:

Approve the purchase of a Bobcat T26 compact track skid steer loader for Municipal Services.

PROJECT BACKGROUND/DESCRIPTION:

The Municipal Services stormwater division currently has one compact track skid steer loader. This additional loader will allow both crews to perform work that requires a skid steer loader, which will increase productivity and efficiency. This new loader is compatible with all the different types of attachments staff use daily.

After reviewing other cooperative agreements and state bids, the pricing and availability for this piece of equipment was secured through the National Association of State Procurement Officials (NASPO) cooperative bid agreement, as it provided the lowest bid price and best value to the City.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The total purchase price is \$77,966. This purchase is budgeted and approved as part of the 2024 stormwater operating budget.

STAFF RECOMMENDATION:

Approval of the purchase.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Guiding Principles
Superior Quality Services

ATTACHMENTS

1. Exhibit





ITEM 3

SUBJECT: Approval of Lenexa Arts Council's 2024 recommendations for public art priority locations
CONTACT: Logan Wagler, Parks & Recreation Director
DATE: June 4, 2024

ACTION NEEDED:

Approve the Lenexa Arts Council's 2024 recommendations for public art priority locations.

PROJECT BACKGROUND/DESCRIPTION:

In 2007, the Governing Body approved the City's Public Art Policy, which sets forth the City's approach to acquiring and placing public art in particular locations. One of the requirements of the Public Art Policy is for the Lenexa Arts Council (LAC) to annually review and make recommendations to the Governing Body regarding the priority list of locations for public art.

The LAC has reviewed the locations of existing art within the city, as well as the current priority list of locations. The LAC determined that the existing list of locations, which focuses heavily on areas without public art, generally meets current goals. Considering guidance from the recently completed Parks and Recreation Master Plan, the LAC recommended adding Ad Astra Pool as it is associated with an upcoming capital improvement project.

The LAC removed the Lenexa Old Town Activity Center from the 2023 list because the mural project will be completed later this year. The LAC also recommended removing the Justice Center from the list since Windswept and Kuros, two existing City-owned sculptures, will be relocated there later this year. In response to feedback received from the Governing Body, the LAC has added the Justice Center back to the list for future consideration for a new indoor art piece.

The LAC recommends the following priority locations for public art:

1. Black Hoof Park, 9053 Monticello Road
2. Cedar Station Park (Mize Lake), Shady Bend Road & Canyon Creek Boulevard
3. Ad Astra Pool, 8265 Maurer Road
4. Centennial Park, future park at 91st Street & Clare Road
5. Fire Station 3, 24000 Prairie Star Parkway
6. Little Mill Creek Park North, 79th Street & Cottonwood Street
7. Lenexa Justice Center (indoor), Prairie Star Parkway & Britton Street

STAFF RECOMMENDATION:

Approval of the recommended locations.

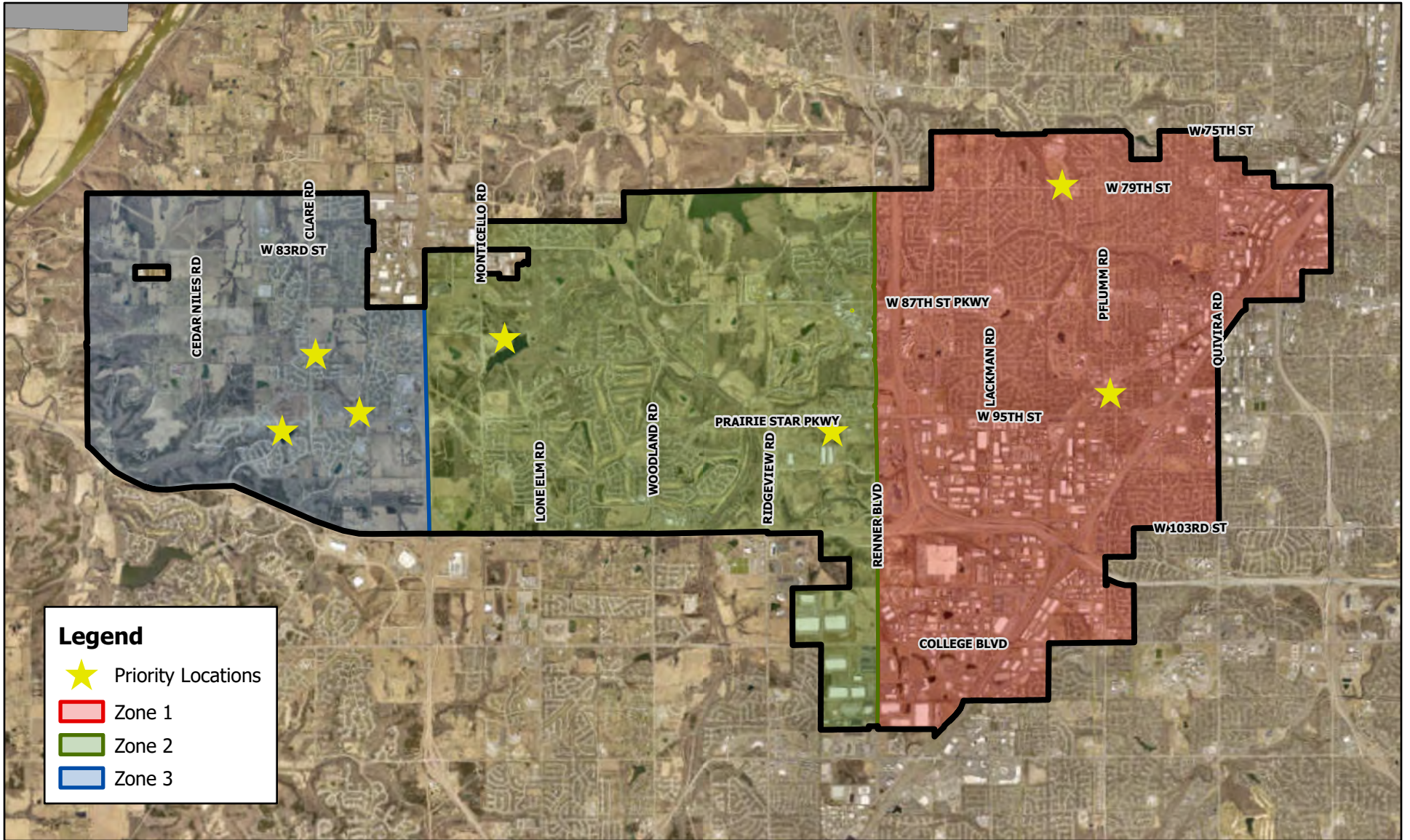
VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040
Inviting Places

Guiding Principles
Extraordinary Community Pride
Strategic Community Investment

ATTACHMENTS

1. Map

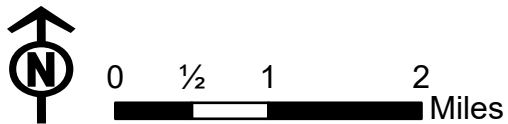


Legend

-  Priority Locations
-  Zone 1
-  Zone 2
-  Zone 3

Data Source: City of Lenexa and Johnson County Kansas
For further information, please call 913-477-7500

Public Art Priority Locations Lenexa Arts Council





ITEM 4

SUBJECT: Public hearing to consider fiscal year 2025 Community Development Block Grant infrastructure projects

CONTACT: Tim Green, Deputy Community Development Director

DATE: June 4, 2024

ACTION NEEDED:

Hold a public hearing to consider fiscal year (FY) 2025 Community Development Block Grant (CDBG) infrastructure projects.

PROJECT BACKGROUND/DESCRIPTION:

The City is eligible for CDBG funds through Johnson County in FY 2025. Lenexa receives a set percentage of the County's CDBG funds pursuant to a Memorandum of Understanding. Per the CDBG application requirements, the City must hold a public hearing to solicit input on potential infrastructure projects. Notice of this public hearing was published in the Legal Record on May 14th, May 21st, and May 28th.

Staff estimates the City's share of CDBG funds at approximately \$190,000; however, actual allocations are not set until spring 2025. The City typically uses its allocation of CDBG funds for public infrastructure projects.

Since 2021, the City has used its CDBG allocation to improve street lighting in qualifying areas. Staff proposes to use the funds to complete a streetlight improvement project in the Candlelight Square and Tuxedo subdivisions, located at the southwest corner of 87th Street Parkway & Pflumm Road. This project's total cost is estimated to be \$300,000. The CDBG funds would cover \$190,000 of this total cost.

STAFF RECOMMENDATION:

Hold the public hearing.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

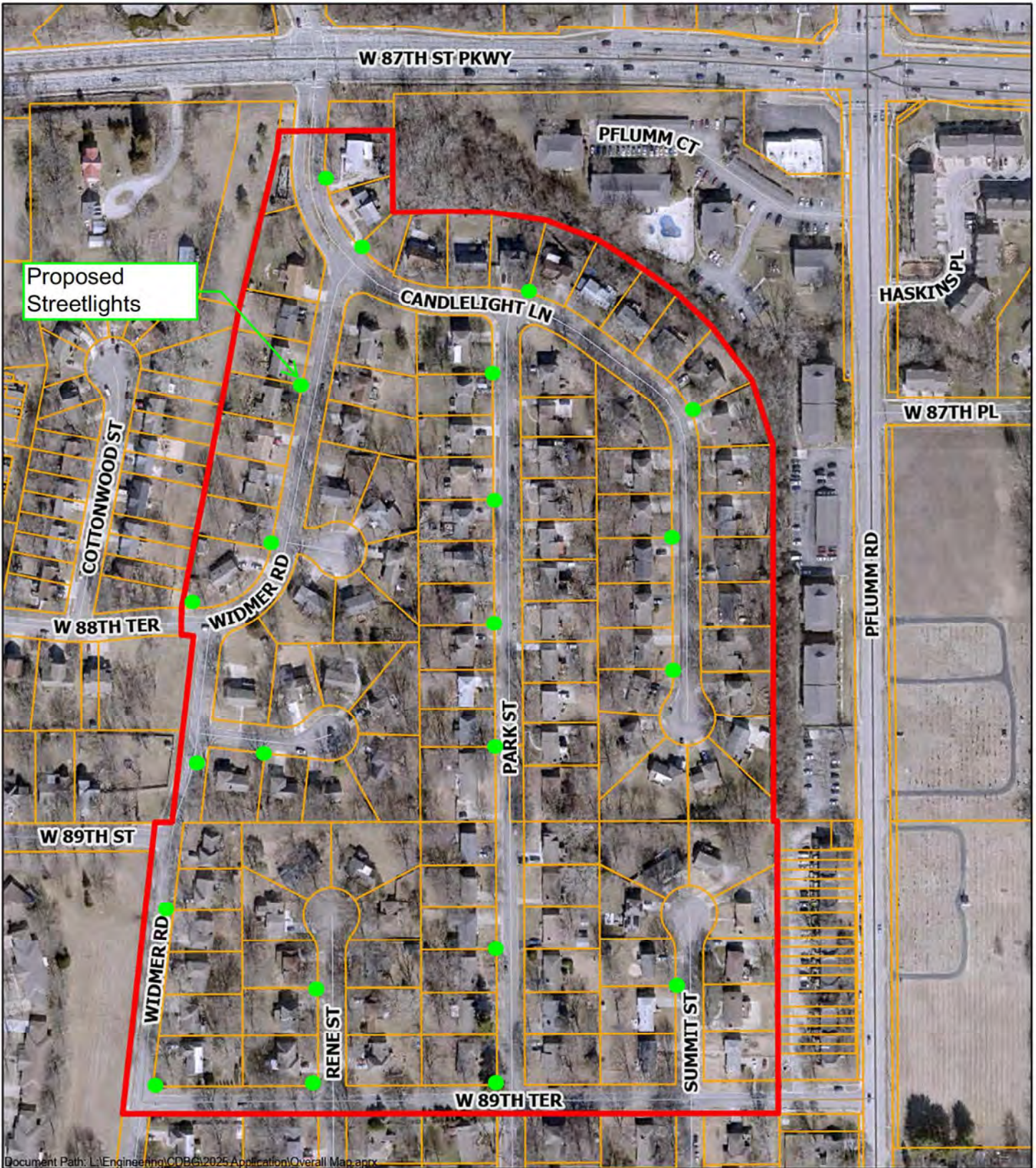
Vibrant Neighborhoods
Integrated Infrastructure & Transportation

Guiding Principles

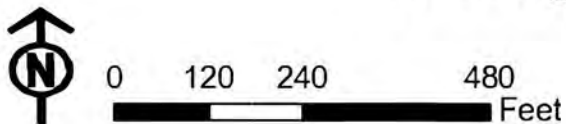
Strategic Community Investment

ATTACHMENTS

- 1. Map



2025 CDBG Recommendation Streetlight Improvement Project





ITEM 5

SUBJECT: Resolution approving a Governing Body Finance Policy for a Property Tax Rebate Program
CONTACT: Kyle Glaser, Economic Development Analyst
DATE: June 4, 2024

ACTION NEEDED:

Adopt a resolution approving a Governing Body Finance Policy ("Policy") for a Property Tax Rebate Program ("Program").

PROJECT BACKGROUND/DESCRIPTION:

The FY 2024 budget includes \$100,000 to fund a Program. The Program is intended to provide property tax relief for eligible homeowners and lessen the tax burden resulting from rising home values by offering property tax rebates to eligible homeowners for the City's share of their property taxes.

At the May 14th Committee of the Whole meeting, the Governing Body reviewed a draft policy for the Program, including potential eligibility criteria, rebate payment amounts, and application procedures. Applications for the 2024 Program will be accepted August 1st through October 31st. Applicants must meet the following criteria to apply:

- Owner-occupied homes (attached or detached).
- Homeowners aged 65+ or disabled veterans (100% military disability).
- An appraised value less than or equal to the previous year's city-wide median home value (\$390,000 for the 2024 Program year).
- Household income is less than or equal to the previous year's HUD Very Low Income Limits for the Kansas City Metro (see table).
- Current on property taxes.

	Number of Persons in Family							
	1	2	3	4	5	6	7	8
Very Low	\$35,900	\$41,000	\$46,150	\$51,250	\$55,350	\$59,450	\$63,550	\$67,650

Every eligible applicant will receive a property tax rebate equal to a pro rata share of available funds, up to 75% of the City's share of the homeowner's property tax bill. The exact rebate amount will depend on the total number of complete, eligible applications received and the appraised value of each property.

Applicants must submit the following documentation with their application:

- Completed application form.
- Copy of a Photo ID with date of birth.
- Verification of the previous year's household income.
- Copy of VA award letter showing disability rating (if applicable).
- Completed ACH Enrollment Form and W-9 Form.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The Program has been allocated \$100,000 from the City's General Fund in the FY 2024 Budget.

STAFF RECOMMENDATION:

Adoption of the resolution.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Vibrant Neighborhoods

Guiding Principles

Strategic Community Investment

ATTACHMENTS

1. Draft Policy
2. Resolution

Policy Number:	GB-Finance-5	Approved By:	Governing Body
Approval Date:		Effective Date:	
Repeals/Replaces:	N/A		
Authority:	Kansas Constitution Article 12, Section 5; Resolution 2024-XXX		
Cross References:	N/A		
Policy Purpose:	To provide property tax relief for eligible homeowners and lessen the tax burden resulting from rising home values.		

1. Introduction

The Property Tax Rebate Program (“Program”) provides property tax relief for eligible homeowners in the City of Lenexa (“City”) and lessens the tax burden resulting from rising home values. The Program rebates a portion of the City ad valorem property taxes for eligible Lenexa homeowners.

The Program and the level of funding will be subject to annual appropriation of the Governing Body. In any year the Governing Body does not fund the program, the City will not accept applications for the Program. The Governing Body may review the Program from time to time and reserves the right to continue, modify, or terminate the Program.

2. Procedures

A. Eligibility

Applicants for the Program must meet all the following requirements:

1. Applicant must own and occupy their primary home.
2. Applicant must be age 65 years or older or have a 100% disability rating as determined by the U.S. Department of Veterans Affairs (VA).
3. Applicant’s primary home must be valued less than or equal to the previous year’s city-wide median single-family residential property value.
4. Applicant’s annual household income must be at or below the previous year’s U.S. Department of Housing and Urban Development (HUD) Very Low-Income limits for the Kansas City Metropolitan Statistical Area.
5. Applicant must be current on the previous year’s property taxes.

B. Application

1. Eligible applicants must submit an application and all other required documentation to the City in order to be considered for the Program.

2. Applications for the Program will only be accepted between August 1st and October 31st of each year.
3. Application Requirements
 - a. A completed City of Lenexa Property Tax Rebate application form
 - b. Copy of a photo ID with date of birth
 - c. Verification of the applicant's previous year's household income. Applicant may provide their previous year's IRS Form 1040 showing Total Income or, if the applicant is not required to file a Federal Tax Return, their previous year's Social Security Statement Form SSA-1099
 - d. Disabled Veterans must submit a copy of their VA award letter showing their disability rating
 - e. Completed ACH Enrollment Form and W-9 Form

C. Rebate

1. The rebate amount will be calculated on a pro rata basis, up to 75% of the applicant's portion of the City's ad valorem property tax for the previous year. The exact sum will vary by property based on the number of applications received, as well as the appraised value of the property of each application.
2. The City shall process payment within 30 days of the conclusion of the application period and receipt of a completed ACH Enrollment Form and W-9 from the applicant.

3. Ethics, Integrity, and City Values

The Code of Ethics is enforced through the City's Personnel Policies/Procedures and the City's values.

All City employees, elected and appointed officials shall act in an honest and professional manner with regard to the issuance of property tax rebates, in accordance with the City's values, Code of Ethics, and Personnel Policies/Procedures.

4. Responsibility for Enforcement

The City Manager will have overall responsibility for the enforcement of this policy. The Governing Body may waive provisions of this policy provided the waiver does not violate state or federal law.

5. Severability

If for any reason any section, subsection, sentence, portion or part of this Policy, or the application thereof to any person or circumstance, is declared to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Policy or other Governing Body Policies and the Lenexa City Code or other ordinances.

RESOLUTION NO. _____

A RESOLUTION ADOPTING THE GOVERNING BODY FINANCE POLICY FOR THE PROPERTY TAX REBATE PROGRAM.

WHEREAS, the Governing Body of the City of Lenexa funded a fiscal year 2024 Property Tax Rebate Program (“Program”) to provide property tax relief for eligible homeowners in the City; and

WHEREAS, the Program and the level of funding is subject to annual appropriation of the Governing Body as part of its annual budget approval process; and

WHEREAS, the Governing Body Finance Policy for the Program provides procedures, guidelines and limits for staff to following when reviewing and approving property tax rebates as part of the Program.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LENEXA, KANSAS:

SECTION ONE: The Governing Body does hereby adopt the Governing Body Finance Policy for the Property Tax Rebate Program attached hereto as Exhibit “A” and incorporated herein by reference, as Governing Body Policy number GB-Finance-5.

SECTION TWO: This Resolution shall become effective upon passage.

ADOPTED by the Governing Body this 4th day of June 2024.

SIGNED by the Mayor this 4th day of June 2024.

CITY OF LENEXA, KANSAS

[SEAL]

Julie Sayers, Mayor

ATTEST:

Jennifer Martin, City Clerk

APPROVED AS TO FORM:

Sean McLaughlin, City Attorney



ITEM 6

SUBJECT: Quarterly Financial Report

CONTACT: Nate Blum, Chief Financial Officer

DATE: June 4, 2024

PROJECT BACKGROUND/DESCRIPTION:

Finance staff will present the quarterly financial report.

ATTACHMENTS

1. Presentation located in the Appendix

APPENDIX



**MINUTES OF THE
MAY 21, 2024
LENEXA CITY COUNCIL MEETING
COMMUNITY FORUM, 17101 W 87th STREET PARKWAY
LENEXA, KS 66219**

CALL TO ORDER

Mayor Sayers called the meeting to order at 7 PM.

ROLL CALL

Councilmembers Karlin, Eiterich, Charlton, Nicks, Arroyo, Williamson, Denny, and Herron were present with Mayor Sayers presiding.

Staff present included Beccy Yocham, City Manager; Mike Nolan, Assistant City Manager; Scott McCullough, Community Development Director; Sean McLaughlin, City Attorney; Jennifer Martin, City Clerk; and other City staff.

APPROVE MINUTES

Councilmember Denny made a motion to approve the May 7, 2024 City Council meeting draft minutes and Councilmember Karlin seconded the motion. Motion passed unanimously.

MODIFICATION OF AGENDA

There were no modifications to the agenda.

PRESENTATIONS

Stephen Duerst, Federico//Duerst Consulting, introduced the team and talked about how they each live in different areas across the state, making their diversity a benefit to Lenexa when they are working with legislators.

John Federico, Federico//Duerst Consulting, said that this team allows them to cover a lot of things at the state level. He said that in this session, 605 bills were introduced and 104 became law. He talked about the legislature adjourning on May 1st, but said that Governor Kelly intends to call a special session. He said they believe this may occur in June and last for a day or two and that it would be for a new tax bill and perhaps STAR bonds, but the session could include anything.

Mr. Federico talked about the turnover that would be occurring in the legislative body and committee chairs in 2025. He explained the breakdown in the Senate and the House and talked about the 2024 elections.

Mr. Duerst talked about several things they have been monitoring for Lenexa including Revenue Neutral Rate provisions, preemption of laws for plastic bags, KPERS, homelessness, government competition, transportation funding and Eisenhower Legacy Program funding, zoning laws, revising local contracts, incentives, KORA, restrictive

covenants, and lease valuations/dark store theory.

Katy Hoffman, Kansas Silver-Haired Legislature and Johnson County delegation chair, spoke about how this group works with the Area Agency on Aging to advocate for seniors and provide a voice at the state level. She said there are six Johnson County Silver Haired Legislators that are active and meet monthly and they would like to hear from residents about how they can help support aging needs. She can be contacted for more information at kmrhoffman@gmail.com or 913-634-1781.

CONSENT AGENDA

1. Consideration of a final plan for Reserve at Copper Creek Phase 1 and acceptance of utility and drainage easements as shown on Reserve at Copper Creek, First Plat, for a multifamily residential development located at the northwest corner of 89th Street & Woodsonia Drive in the RP-3, RP-4, and RP-5 Zoning Districts
 - a. Approval of a final plan for Reserve at Copper Creek Phase 1
 - b. Acceptance of utility and drainage easements as shown on Reserve at Copper Creek, First Plat

This final plan for Reserve at Copper Creek Phase 1 and the accompanying final plat for Reserve at Copper Creek, First Plat, is for a multifamily residential development located at the northwest corner of 89th Street & Woodsonia Drive ("Project"). The plan is for the first phase of the Copper Creek development, containing 289 units in eight buildings. The Project is zoned within the RP-3, RP-4, and RP-5 Zoning Districts. Each phase will include a clubhouse and pool amenities. The plat includes utility and drainage easements being dedicated to the City.
2. Consideration of two resolutions approving and authorizing the Mayor to execute inspection and materials testing agreements with Olsson, Inc.
 - a. Resolution approving and authorizing the Mayor to execute an agreement with Olsson Associates, Inc. for the Falcon Ridge Estates Street Reconstruction Project

This project consists of pavement removal and replacement, subgrade modifications, major curb and gutter replacement, and sidewalk spot replacement in Falcon Ridge Estates. The City negotiated an agreement in the amount of \$96,655 with Olsson Associates, Inc. for inspection and material testing services. The contract for the construction has not yet been awarded to a contractor.
 - b. Resolution approving and authorizing the Mayor to execute an inspection and materials testing agreement with Olsson Associates, Inc. for the Penny Green Subdivision Street Reconstruction Project

This project consists of pavement removal and replacement, subgrade modifications, sidewalk and curb and gutter spot replacement, and streetlight upgrades within the Penny Green subdivision. The City negotiated an agreement in the amount of \$138,185 with Olsson Associates, Inc. for inspection and

material testing services. The construction contract was awarded to G-B Construction at the April 16, 2024 City Council meeting.

3. Resolution approving the possession and consumption of alcoholic liquor during Maps Coffee and Chocolate special event in Old Town Lenexa
Maps Coffee and Chocolate ("Maps") will sponsor a customer appreciation event in Old Town Lenexa on Friday, May 31, 2024. Maps has applied for a Temporary Permit to sell alcoholic beverages at the event. The sale, possession, and consumption of alcohol at the event requires City Council approval, as well as designating the event's boundaries and identifying the public streets to be closed.
4. Resolution approving and authorizing the Mayor to execute an agreement with Encompas Corporation for the furniture at the Lenexa Old Town Activity Center
Workstations and furniture in private offices, conference rooms, and public gathering spaces have been selected for the Lenexa Old Town Activity Center. The total agreement amount is \$182,461.61.

END OF CONSENT AGENDA

Mayor Sayers said she would abstain from voting on item 4 due to a potential conflict of interest.

Councilmember Denny made a motion to approve items 1 through 3 on the consent agenda and Councilmember Nicks seconded the motion. Motion passed unanimously.

Mayor Sayers left the room.

Council President Nicks invited Logan Wagler, Parks and Recreation Director, to explain more about this item and the process for determining the company to provide this product and service.

Mr. Wagler said that the request for proposals followed the same process staff would use for any project and he explained that process. He said each of the three proposals received were evaluated and met all of the criteria, and Encompas submitted the lowest priced proposal.

Councilmember Arroyo asked about the Mayor's potential conflict of interest and Mr. Wagler said that the Mayor is part-owner of Encompas, the chosen proposal for the project.

Councilmember Denny made a motion to approve item 4 on the consent agenda and Councilmember Eiterich seconded the motion.

Councilmember Arroyo shared her concerns with Mayor Sayers' connection to this project and said she would be voting against approving this item.

Beccy Yocham, City Manager, asked Sean McLaughlin, City Attorney, to explain the City's conflict of interest code and how the Mayor's abstaining from this item complies.

Mr. McLaughlin explained how abstaining from a vote completely removes the conflict of

interest. He noted that an explanation of why one is abstaining is not required.

Motion passed 7-1 with Councilmember Arroyo voting against.

PUBLIC HEARINGS

5. Consideration of an ordinance vacating a portion of the Shady Bend Road right-of-way located north of Prairie Star Parkway and repealing Ordinance 5843

- a. Public hearing to consider a request to vacate public right-of-way located north of Prairie Star Parkway at Shady Bend Road and retaining a utility easement

- b. Ordinance vacating public right-of-way north of Prairie Star Parkway at Shady Bend Road and retaining a utility easement

This vacation request is to remove the original right-of-way for Shady Bend Road into the Arbor Lake subdivision. A vacation was considered in August 2021 but was never completed by the Johnson County Register of Deeds finalizing the process. This vacation will remove that original portion of Shady Bend Road that is not required for the current alignment into the subdivision. The realignment of Shady Bend Road is an improved street pattern and discourages cut-through traffic in the new Arbor Lake South subdivision.

Scott McCullough, Community Development Director, said this request to vacate a portion of right-of-way for Shady Bend Road in the Arbor Lake subdivision. He said that this vacated previously, but due to a sequencing issue with the County, the recording did not become effective so it must be approved again. He explained that this will replace that previously approved ordinance.

Mayor Sayers opened the public hearing at 7:30 PM.

There was no public comment.

Councilmember Eiterich made a motion to close the public hearing and Councilmember Arroyo seconded the motion. Motion passed unanimously.

The public hearing closed at 7:31 PM.

Councilmember Eiterich made a motion to approve Item 5b and Councilmember Nicks seconded the motion. Motion passed unanimously.

NEW BUSINESS

There was no new business.

COUNCILMEMBER REPORTS

Councilmember Eiterich said that the Sar-Ko-Par Aquatic Center pool looks great and was packed for tonight's event. She thanked everyone for their work on the project and said she is looking forward to spending time there.

Mayor Sayers said that the Art Fair last Saturday was successful.

STAFF REPORTS

There were no staff reports.

END OF RECORDED SESSION

BUSINESS FROM FLOOR

There was no business from the floor.

ADJOURN

Councilmember Eiterich made a motion to adjourn and Councilmember Williamson seconded the motion. Motion passed unanimously.

The meeting adjourned at 7:33 PM.

Proclamation

WHEREAS, every day more than 120 Americans are killed by gun violence and on average there are more than 18,000 gun homicides every year; and

WHEREAS, Kansas has 456 gun deaths every year, with a rate of 15.7 deaths per 100,000 people. Kansas has the 21st highest rate of gun deaths in the United States; and

WHEREAS, support for the Second Amendment rights of law-abiding citizens goes hand-in-hand with keeping guns away from people with dangerous histories; and

WHEREAS, in tribute to Hadiya Pendleton, who was tragically shot and killed at age 15, a group of her friends decided to commemorate her life by wearing orange, choosing this color because hunters use it to announce themselves to other hunters and it is a color that symbolizes the value of human life; and

WHEREAS, wearing orange honors Hadiya as well as all victims of gun violence, and the loved ones of all victims; and

WHEREAS, on June 7-9, 2024 people across the United States will recognize and raise awareness about gun violence on Wear Orange Weekend; and

WHEREAS, we renew our commitment to reduce gun violence and pledge to do all we can to keep firearms out of the wrong hands, and encourage responsible gun ownership to help keep our children safe.

NOW, THEREFORE, I, Julie Sayers, Mayor of Lenexa, Kansas do hereby proclaim June 7, 2024 in the City of Lenexa to be

NATIONAL GUN VIOLENCE AWARENESS DAY

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of June, 2024.



Julie Sayers
Mayor of Lenexa, Kansas

Proclamation

WHEREAS, Lenexa held the first Great Lenexa Barbeque Battle in 1982 at the urging of founders Pat Dalton and Alan Uhl; and

WHEREAS, it was designated The State Championship of Kansas by Governor John Carlin on April 27, 1984; and

WHEREAS, this event provides wholesome recreation and competition for barbeque enthusiast; and

WHEREAS, hundreds of Lenexan's are able to volunteer their talents towards making the contest a success; and

WHEREAS, this has become an important event to the City of Lenexa for the enjoyment of its residents and visitors; and

WHEREAS, this championship crowns seven meat category champions including: beef, pork, ribs, chicken, sausage, beefsteak, and miscellaneous; and one Grand Champion; and

WHEREAS, the 42nd Great Lenexa Barbeque Battle will be held June 21-22, 2024; and

WHEREAS, this event brings to the City of Lenexa significant recognition and identification throughout the metropolitan area, the state of Kansas and the Nation.

NOW, THEREFORE, I, Julie Sayers, Mayor of Lenexa, Kansas do hereby proclaim the month of June in the City of Lenexa to be

LENEXA BARBEQUE MONTH

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of June, 2024.



Julie Sayers
Mayor of Lenexa, Kansas

Proclamation

WHEREAS, our nation was founded on the principle of equal rights for all people, and some of the most inspiring moments in our history have come from the civil rights movements that have brought groups from the margins to the mainstream of American society; and,

WHEREAS, in the movement toward equal rights for lesbian, gay, bisexual, transgender, and queer (LGBTQ) people, the Stonewall Riots were an historic turning point in New York City on June 28, 1969, when LGBTQ citizens rose up and fought against the discriminatory criminal laws that have since been declared unconstitutional; and,

WHEREAS, LGBTQ pride celebrations take place across the country every June to commemorate the riots and to recognize the impact that LGBTQ people have had on history locally, nationally, and internationally; and,

WHEREAS, June is celebrated as LGBTQ Pride Month nationwide; and,

WHEREAS, Lenexa welcomes people of all sexual orientations and gender identities; and,

WHEREAS, everyone should be able to live without fear of prejudice, discrimination, violence, and hatred based on race, religion, gender identity, or sexual orientation.

NOW, THEREFORE, I, Julie Sayers, Mayor of Lenexa, Kansas do hereby proclaim the month of June in the City of Lenexa to be

LGBTQ PRIDE MONTH

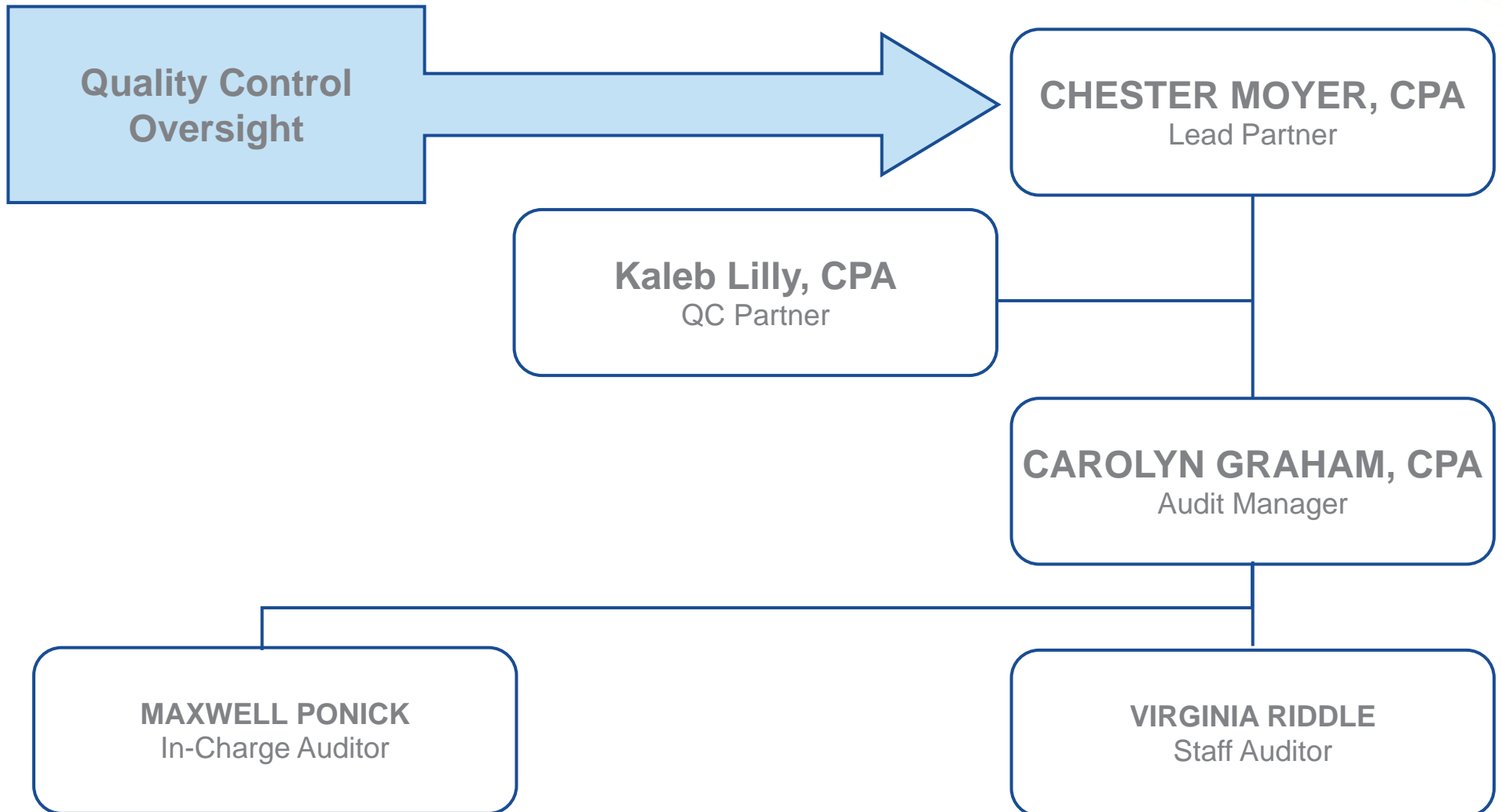
And urge all Lenexa residents to respect and honor our diverse community and celebrate and build a culture of inclusiveness and acceptance.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of June, 2024.

City of Lenexa Audit Summary

DECEMBER 31, 2023

Engagement Team



Audit Process

Planning October 2023

- Obtain an understanding of the City and its control environment.
- Review council minutes.
- Perform preliminary analytical review procedures on internal financial statements.

Interim Fieldwork

- Gain an understanding of key accounting processes.
- Identify significant estimates in the financial statements.
- Perform risk assessment.
- Perform walkthroughs and test key controls where deemed appropriate.

Year-End Fieldwork Mar-May 2024

- Perform substantive analytic procedures.
- Perform substantive in depth procedures.
- Perform compliance testing.
- Complete review of methodology for consistency, logic and reasonableness of estimates.



Executive Summary

Financial Statement Audit

Transition of Key Positions relative to the audit within the City was smooth
Unmodified Opinion (i.e. Clean Opinion) on the financial statements
Emphasis of Matter – Implementation of GASB 96, *Subscription-Based Information Technology Arrangements*

Management Letter

No matters reportable

Firefighters' Relief Association

No matters reportable



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.

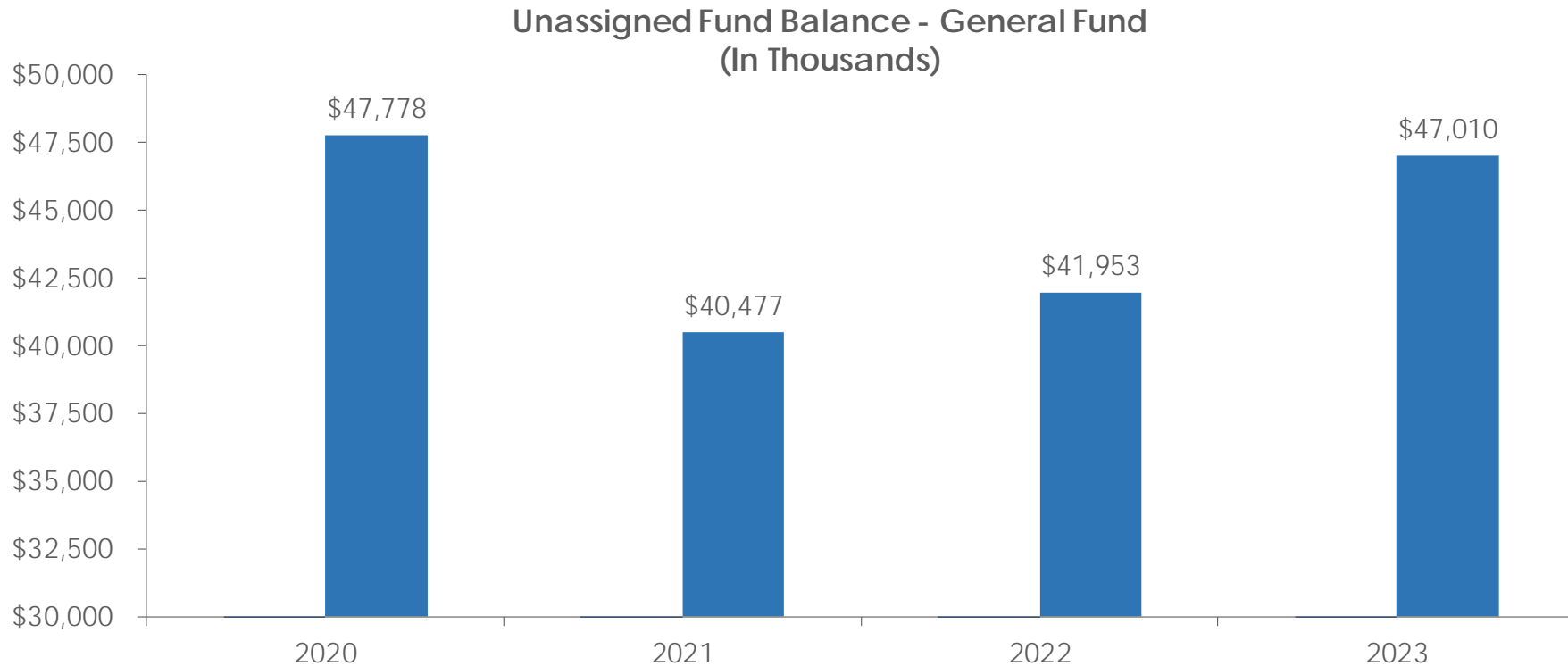
Are there any limitations on how the resources in the fund can be spent?

If so, what is the source of the limitations?

- Non-spendable 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 self-imposed 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



OBSERVATION

The unassigned fund balance has steadily increased over each of the past several years.



Government-Wide Statement Of Net Position



The statistical section of the Annual Comprehensive 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 (inter-period equity).

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

Year	Total City Net Position
2023	\$696,514,275
2022	\$665,662,801
2021	\$635,992,667



Investment Earnings

Evaluating investment earnings in a government does not necessarily equate to cash flows as changes in the investments are often “unrealized” until an investment is sold. Furthermore, the investments that governments often hold are held until maturity with specific cash flow objectives rather than appreciation objectives.

Governments typically have a lower tolerance of risk than private or institutional investors, as such, governments typically emphasize the preservation of capital over appreciation. Within the guidelines established by the state and by the City investment policy, there is still some flexibility, and different approaches to investments can result in different investment earnings outcomes.

Year	City Investment Earnings
2023	\$10,209,953
2022	\$(2,439,459)
2021	\$(251,599)



CITY OF LENEXA, KANSAS
AUDITOR COMMUNICATIONS
DECEMBER 31, 2023

The Honorable Mayor and
Members of the City Council
City of Lenexa, Kansas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lenexa, Kansas (the City) as of and for the year ended December 31, 2023, and have issued our report thereon dated May 30, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 30, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects Of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. During the year ended December 31, 2023, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* which modifies the principles for the recognition, measurement, presentation, and disclosure of subscription arrangements. No other new accounting policies were adopted and the application of other existing policies was not changed during the year ended December 31, 2023. We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred. There are no instances where we consider a significant accounting practice that is acceptable under the applicable financial reporting framework not to be most appropriate to the particular circumstances of the City.

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures that were brought to the attention of management.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the actuarial assumptions in the calculation of annual pension and other post-employment benefit costs is based on estimates provided by the actuaries hired by KPERS and the City. We evaluated the key factors and assumptions used to develop the actuarial assumptions in the calculation of annual pension and other post-employment benefit costs in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the fair value of investments is based on fair market value. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures to the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the users of the financial statements. The most sensitive disclosures affecting the financial statements are:

The disclosure of deposits and investments in Note 2 to the financial statements.

The disclosure of leases in Note 9 to the financial statements.

The disclosure of subscription-based information technology arrangements in Note 10 to the financial statements.

The disclosure of long-term debt and other obligations in Note 11 to the financial statements.

The disclosure of risk management in Note 12 to the financial statements.

Circumstances That Affect The Form And Content Of The Auditors' Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' report. We made the following modification to our auditors' report:

As discussed in Note 1 to the financial statements, the City implemented the provisions of Governmental Accounting Standards Board Statement Number 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Matters Resulting In Consultation Outside The Engagement Team

There were no significant matters which resulted in consultation outside of our engagement team.

Difficulties Encountered In Performing The Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected And Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There are no uncorrected misstatements of the financial statements noted during this audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any such adjustments. The attached schedule communicates the impact of the client journal entries made during this audit by management.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the attached management representation letter.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to an entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in City's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Other Audit Findings Or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Lenexa's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

RubinBrown LLP

May 30, 2024

SCHEDULE OF JOURNAL ENTRIES

Client: **24331.0000 - City of Lenexa**
 Engagement: **2023 AUD - City of Lenexa**
 Period Ending: **12/31/2023**
 Trial Balance: **Government Fund Trial Balance**
 Workpaper: **3030 - Adjusting Journal Entries**
 Fund Level: **All**
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
CJE to record KPERS activity in 2023.				
GASB.40	Deferred Inflows - KPERS		8,387.00	
GASB.42	KPERS Pension Expense - General Government		327,420.00	
GASB.43	KPERS Pension Expense - Public Safety		757,183.00	
GASB.44	KPERS Pension Expense - Public Works		92,742.00	
GASB.45	KPERS Pension Expense - Parks		138,124.00	
GASB.38	Deferred Outflows - KPERS			548,258.00
GASB.39	Net Pension Liability - KPERS			775,598.00
Total			1,323,856.00	1,323,856.00
Adjusting Journal Entries JE # 2				
CJE to record KPF activity for 2023.				
GASB.49	KP&F Pension Expense - Public Safety		2,994,636.00	
GASB.46	Deferred Outflows - KP&F			476,745.00
GASB.47	Net Pension Liability - KP&F			1,181,304.00
GASB.48	Deferred Inflows - KP&F			1,336,587.00
Total			2,994,636.00	2,994,636.00
Adjusting Journal Entries JE # 3				
CJE to record GASB 68 City Pension Plan				
GASB.54	Net Pension Liability - Lenexa Pension - Governmental		1,845,130.00	
GASB.57	Deferred Inflows - Lenexa Pension - Governmental		367,827.00	
GASB.55	Pension Expense - Lenexa Pension - Governmental			263,703.00
GASB.56	Deferred Outflows - Lenexa Pension - Governmental			1,949,254.00
Total			2,212,957.00	2,212,957.00
Adjusting Journal Entries JE # 4				
CJE to record OPEB liability for governmental accounts.				
GASB.09.1	CY Change in OPEB - Gen Gov Expense		311,281.00	
GASB.68	CY Change in Deferred Outflows - OPEB		289,343.00	
GASB.09	CY Change in OPEB Liability			74,112.00
GASB.68.2	CY Change in Deferred Inflows - OPEB			526,512.00
Total			600,624.00	600,624.00
Adjusting Journal Entries JE # 5				
CJE to record KPERS OPEB inflows/outflows and liability				
GASB.09.1	CY Change in OPEB - Gen Gov Expense		5,004.00	
GASB.70	CY Change in KPERS OPEB Liability		55,321.00	
GASB.71	CY Change in Deferred Inflows - KPERS OPEB			38,620.00
GASB.72	CY Change in Deferred Outflows - KPERS OPEB			21,705.00
Total			60,325.00	60,325.00
Adjusting Journal Entries JE # 6				
CJE to record the GASB entry for the change in accrued interest				
GASB.21.1	CY Change in Accrued Interest - Inc Stmt Account		482,241.00	
GASB.21	CY Change in Accrued Interest			482,241.00
Total			482,241.00	482,241.00
Adjusting Journal Entries JE # 7				
CJE to record GASB beginning balances				
GASB.01	Beginning Balance of Capital Assets		524,650,425.00	
GASB.04	Beginning Balance of Deferred Rev		26,722,421.00	
GASB.61	Beginning Balance - Deferred Outflows - KPERS		5,821,553.00	
GASB.63	Beginning Balance - Deferred Outflows - KP&F		10,462,842.00	
GASB.65	Beginning Balance - Deferred Outflows - Lenexa Pension		3,681,499.00	
GASB.68.1	Beginning Balance - Deferred Outflows - OPEB		1,567,254.00	
GASB.72.1	Beginning Balance - Deferred Outflows - KPERS OPEB		173,978.00	
GASB.00	Governmental Activities Net Position			358,032,751.00
GASB.06	Beginning Balance of Comp Absences			5,165,233.00
GASB.08	Beginning Balance of OPEB Liability			6,315,278.00
GASB.10	Beginning Balance of UnAmrtized Premium			9,495,576.00
GASB.20	Beginning Balance of Accrued Interest			4,667,805.00
GASB.22	Beginning Balance of Deferred Amount on Refunding			413,851.00
GASB.25	Beginning Balance of TIF Bonds			5,468,231.00
GASB.28	Beginning Balance of GO Bonds			124,275,000.00
GASB.58	Beginning Balance - Net Pension Liability - KPERS			16,595,549.00
GASB.59	Beginning Balance - Net Pension Liability - KP&F			35,454,357.00
GASB.60	Beginning Balance - Net Pension Liability Lenexa Pension			1,855,800.00
GASB.62	Beginning Balance - Deferred Inflows - KPERS			198,642.00
GASB.64	Beginning Balance - Deferred Inflows - KP&F			207,401.00

GASB.66	Beginning Balance - Deferred Inflows - Lenexa Pension Plan		865,766.00	
GASB.68.3	Beginning Balance - Deferred Inflows - OPEB		3,281,294.00	
GASB.70.1	Beginning Balance - KPERS OPEB Liability		492,895.00	
GASB.71.1	Beginning Balance - Deferred Inflows - KPERS OPEB		294,543.00	
Total			573,079,972.00	573,079,972.00
Adjusting Journal Entries JE # 9				
CJE - GASB Entry - to record CY change in LTD		5300.2		
GASB.11	CY Amortization of Premiums		1,029,789.00	
GASB.24	Amortization of Deferred Amount on Refunding		59,068.00	
GASB.27	Principal Payments of TIF Bonds		144,068.00	
GASB.29.1	Proceeds from New GO Bonds		14,129,201.00	
GASB.30	Principal Payments of GO Bonds		11,620,000.00	
GASB.11.1	CY Amortization of Premiums - Inc Stmt Account			1,029,789.00
GASB.24.1	Amortization of Deferred Amount on Refunding - Inc Stmt Account			59,068.00
GASB.27.1	Principal Retirement of TIF Bonds			144,068.00
GASB.29	New Issuances of GO Bonds			12,880,000.00
GASB.30.1	Principal Retirement of GO Bonds			11,620,000.00
GASB.31	New Premium on GO Bond Issuances			1,249,201.00
Total			26,982,126.00	26,982,126.00
Adjusting Journal Entries JE # 10				
CJE - GASB Entry - to record CY change in compensated absences		5202		
GASB.07.1	CY Change in Comp Absences - Gen Gov Expense		316,818.00	
GASB.07	CY Change in Comp Absences			316,818.00
Total			316,818.00	316,818.00
Adjusting Journal Entries JE # 11				
CJE - To correct receivable for new tower lease terms and record YE entries.		5604		
01.13060	'Receivable - Leases		616,506.00	
01.47120.0.00	General Fd Inv earnings		378.00	
01.25085	'Deferred Inflow - Leases			614,839.00
01.47500.2.35	PD Towers Gen Fd Tower Lease			1,642.00
01.47510.1.01	Public Market Lease			403.00
Total			616,884.00	616,884.00
Adjusting Journal Entries JE # 12				
CJE - To record CY activity on Capital Assets		1203		
GASB.02	CY Capital Outlay		68,185,173.00	
GASB.03.1	CY Depreciation - Gen Gov Expense		395,728.00	
GASB.03.2	CY Depreciation - Public Safety Expense		1,587,446.00	
GASB.03.3	CY Depreciation - Municipal Services Expense		16,642,778.00	
GASB.03.4	CY Depreciation - Parks Expense		934,281.00	
GASB.35	CY Capital Contributions		7,613,459.00	
GASB.36.3	CY Book Value of Disposals - Municipal Service Expense		47,341.00	
GASB.36.4	CY Book Value of Disposals - Parks Expense		580.00	
GASB.02.1	CY Capital Outlay - Gen Gov Expense			384,065.00
GASB.02.2	CY Capital Outlay - Public Safety Expense			3,092,946.00
GASB.02.3	CY Capital Outlay - Municipal Services Expense			39,496,176.00
GASB.02.3	CY Capital Outlay - Municipal Services Expense			23,456,391.00
GASB.02.4	CY Capital Outlay - Parks Expense			1,755,595.00
GASB.03	CY Depreciation			19,560,233.00
GASB.35.3	CY Capital Contributions - Inc Stmt Account			7,613,459.00
GASB.36	CY Book Value of Disposals			47,921.00
GASB.36.1	CY Book Value of Disposals - Gen Gov Expense			
GASB.36.2	CY Book Value of Disposals - Public Safety Expense			
GASB.36.3	CY Book Value of Disposals - Municipal Service Expense			
Total			95,406,786.00	95,406,786.00
Adjusting Journal Entries JE # 13				
CJE - To adjust deferred inflows and outflows related to OPEB		5251.1		
80.14093	'Deferred Outflow - OPEB		46,851.00	
82.14093	'Deferred Outflow - OPEB		20,079.00	
GASB.68	CY Change in Deferred Outflows - OPEB		1,388,782.00	
80.25083	'Deferred Inflow - OPEB			46,851.00
82.25083	'Deferred Inflow - OPEB			20,079.00
GASB.68.2	CY Change in Deferred Inflows - OPEB			1,388,782.00
Total			1,455,712.00	1,455,712.00
Total Adjusting Journal Entries			705,532,937.00	705,532,937.00
Total All Journal Entries			705,532,937.00	705,532,937.00

City of Lenexa, Kansas

May 30, 2024

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

This representation letter is provided in connection with your audit of the City of Lenexa, Kansas as of December 31, 2023 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, statement of financial position, and cash flows, where applicable, of the various opinion units of City of Lenexa, Kansas in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, and 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- 2) 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.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- 5) All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 6) 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.
- 7) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- 8) With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.

City of Lenexa, Kansas

- c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- 9) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- 10) All funds and activities are properly classified.
- 11) All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- 12) All net position components and fund balance classifications have been properly reported.
- 13) All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 14) All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- 15) All interfund and intra-entity transactions and balances have been properly classified and reported.
- 16) Special items and extraordinary items have been properly classified and reported.
- 17) Deposit and investment risks have been properly and fully disclosed.
- 18) Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- 19) All required supplementary information is measured and presented within the prescribed guidelines.
- 20) Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
- 21) With regard to pensions and OPEB:
 - a. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. We are unable to determine the possibility of a withdrawal liability from the pension and OPEB plans, of which we are a sponsor and are not currently contemplating withdrawing from the pension and OPEB plans.
 - c. Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.

Information Provided

- 22) 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.
- 23) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 24) 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.
- 25) Other than what has been communicated to you, we have no knowledge of any fraud or suspected fraud that affects the entity and involves:

City of Lenexa, Kansas

- 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.
- 26) We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
 - 27) We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
 - 28) We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
 - 29) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
 - 30) We have a process to track the status of audit findings and recommendations.
 - 31) We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
 - 32) We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
 - 33) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
 - 34) We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
 - 35) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
 - 36) The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
 - 37) We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
 - 38) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
 - 39) There are no violations or possible violations or laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - 40) There are no other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.
 - 41) We have disclosed to you all known actual or possible litigation, claims and assessment whose effects should be considered when preparing the financial statements.
 - 42) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
 - 43) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
 - 44) We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
 - 45) We have provided you with:

City of Lenexa, Kansas

- a. A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
 - b. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report.
- 46) The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- 47) We acknowledge our responsibility for presenting the supplementary information in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the identify supplementary information 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.
- 48) When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements ready available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditors' report thereon.

DocuSigned by:

Rebecca D. Yocham

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Beccy Yocham, City Manager

DocuSigned by:

Nate Blum

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Nate Blum, CFO

Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

The Honorable Mayor and
Members of the City Council
City of Lenexa, Kansas

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lenexa, Kansas as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Lenexa, Kansas' basic financial statements, and have issued our report thereon dated May 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Lenexa, Kansas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Lenexa, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Lenexa, Kansas' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of City of Lenexa, Kansas' financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Lenexa, Kansas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Lenexa, Kansas' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Lenexa, Kansas' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

May 30, 2024



City of Lenexa Quarterly Financial Report (Quarter Ending 03/31/2024)

Prepared by the Finance Department

June 4, 2024






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 03/31/2024, the City's key revenues increased by \$0.5 million (1%) compared to revenue collections for the same period in 2023. The revenue change is primarily due to increased receipts of City property taxes, sales taxes and use taxes. In addition, expenditures for operating activities are within budget for 2024.

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

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	Property Taxes (current)	Property tax revenues increased 4% (compared to the same time period in 2023) & are projected to meet the budget estimate
	Sales Tax - City	City sales tax revenues decreased 3% & are projected to meet the budget estimate.
	Sales Tax - County	County sales tax revenues decreased 4% & are projected to meet the budget estimate.
	Compensating Use Tax - City	City use tax revenues increased 1% & are projected to meet the budget estimate.
	Compensating Use Tax - County	County use tax revenues increased 2% & are projected to meet the budget estimate.
	Franchise Tax - Electric	Franchise tax (electric) revenues decreased 7% & are projected to meet the budget estimate.
	Franchise Tax - Gas	Franchise tax (gas) revenues decreased 11% & are projected to meet the budget estimate.
	Stormwater Service Charges	Stormwater Service Charges decreased 2% & are projected to meet the budget estimate.

REVENUE INDICATORS

Collections for the City's key revenue sources increased by \$0.5 million (1%) as of 03/31/2024 compared to 03/31/2023.

Total property tax collections are \$24.7 million as of 03/31/2024 (50% of the 2024 budget estimate), which is \$1.0 million higher (4%) than collections in 2023.

City sales tax revenues are \$6.0 million for 2024, which is \$0.2 million lower (3%) than collections in 2023. County sales tax revenues are \$2.8 million for 2024 which is \$0.1 million lower (3%) than collections in 2023.

Gas Franchise tax revenues are \$0.7 million for 2024, which is \$93,000 lower (11%) than collections in 2023.

Stormwater service charges are \$3.9 million for 2024, which is \$87,000 lower (2%) than service charges in 2023.

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



EXPENDITURE INDICATORS

Status	Indicator	Comments
On Track	Operating Expenditures - General Fund	General Fund operating expenditures increased 4% & are projected to be within the budget estimate.
On Track	Operating Expenditures - Stormwater Fund	Stormwater Fund operating expenditures increased 10% & are projected to be within the budget estimate.
On Track	Debt Service Expenditures - All Funds	Debt service expenditures increased 8% & are projected to be within the budget estimate.

EXPENDITURE INDICATORS

The City's operating expenditure indicators are trending favorably in comparison to the 2024 budget.

General Fund operating expenditures increased by 4% as of 03/31/2024 compared to 03/31/2023 & are 25% of the 2024 budget estimate. The increase is largely due to higher personnel costs, and inflation resulting in general increases in contractual services and commodities.

Stormwater operating expenditures increased by 10% compared to 2023 & are 20% of the 2024 budget estimate.

Debt service expenditures increased by 8% compared to 2023 & are 12% of the 2024 budget estimate (debt service expenditures reflect interest payments made on 3/1/2024 and principal payments).

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



RESERVE POLICY INDICATORS

Status	Indicator	Comments
✔	General Fund	The current General Fund reserve balance is 42% 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 74% of budgeted expenditures/transfers. This percentage exceeds the 10% minimum reserve target established by policy.
✔	Stormwater Fund	The current Stormwater Fund reserve balance is 82% 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 135% 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 296% 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 General Fund reserve balance as of 03/31/2024 report is above the maximum reserve target of 35%. The significant balance in the General Fund will be reduced later in 2024 assuming the Governing Body approves the transfer of excess reserve amount to finance upcoming capital projects.

The balances in the Debt Service Fund & Stormwater Fund will be reduced during the 3rd quarter due to the principal and interest payments made on outstanding bond issues. Additionally, the balance in the Stormwater Fund will be reduced further in 2024 and 2025 due to increased transfers to fund capital projects. These fund transfers will serve as matching contributions for external funding sources for Stormwater projects.

RESERVE POLICY INDICATORS

In recent years, the City has steadily increased the balance of the Rec Center Fund, preparing for future facility maintenance and equipment replacement. In the coming years, staff foresees substantial investments in Rec Center maintenance, surpassing what the operating budget can accommodate within a single fiscal year.

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 12% for the 2024 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 1.45% as of March 2024. 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 12% for the 2024 budget. This is considered to be above median but manageable debt burden 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 1.45% - 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 5.164% is below the 5.49% benchmark.
	Current yield vs. long-term portfolio rate of return benchmark	Current investment yield of 5.145% is above the 5.03% 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 but due to rapidly rising interest rates over the last year and an inverted yield curve, rates of return are below the policy benchmarks. Specifically, the 03/31/2024 short-term portfolio rate of return (including cash equivalents) is 5.164% compared to the benchmark (3-month Treasury yield) of 5.49%. The 03/31/2024 long-term portfolio rate of return is 5.145% compared to the benchmark (1-year Treasury yield) of 5.03%.

As of 03/31/2024, the unrealized loss on the City's investment portfolio is \$1,601,416 (this means the City would have lost \$1,601,416 compared to the book value of the investments if all of the securities were sold in the open market on 03/31/2024). 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 \$179.3 million as of 03/31/2024. Exhibits C & D include additional information on the City's investments, including information on the terms of each security in the City's portfolio.



ECONOMIC INDICATORS

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	Commercial Building Permits	Total valuation of commercial building permits is \$50.1 million as of 03/31/2024, compared to a \$51.2 million average in the same time period for 2019 thru 2023.
	Single Family Residential Building Permits	Total valuation of single family residential building permits is \$28.6 million as of 03/31/2024, compared to a \$21.7 million average for 2019 thru 2023.
	Apartment Building Permits	Total valuation of apartment building permits is \$53.6 million as of 3/31/2024, compared to a \$0 average for 2019 thru 2023.
	Average Home Value (Appraised Value)	As of February 2024, the average appraised value of a Lenexa home is approximately \$467,962 an increase of 7.2% from the previous year (\$439,697).

ECONOMIC INDICATORS

Commercial building permit valuation is \$50.1 million as of 03/31/2024 compared to an average of \$51.2 million in the same time period for 2019 thru 2023. Single family residential permit valuation is \$28.6 million for 2024 compared to an average of \$21.7 million for 2019 thru 2023.

Total building permit revenue is \$526,000 for 2024 compared to \$421,000 for the same period in 2023.

The average appraised value of a Lenexa home is \$467,962 for 2024, an increase of 7.2% from 2023 (\$439,697) per the Johnson County Appraiser's Revaluation Report dated February 2024.



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 Nate Blum or Megan Sterling if you have any questions about the 03/31/2024 quarterly financial report.

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(03/31/2024)**

Exhibit A – Budget and Actual Collections for Major Revenue Sources

3/31/2024	Actual for	FY 2024	Actual for	Actual 2024		
	1/1/2023 thru	Budget	1/1/2024 thru	as a % of	% Change	\$ Change
Description	3/31/2023	Estimate	3/31/2024	Budget Estimate	from FY 2023	from FY 2023
Property Taxes (current)	\$23,633,145	\$49,347,294	\$24,668,331	50%	4%	\$1,035,186
Sales Tax - City	\$6,214,643	\$24,445,320	\$6,035,155	25%	-3%	(\$179,488)
Sales Tax - County	\$2,967,773	\$11,756,520	\$2,847,827	24%	-4%	(\$119,946)
Comp Use Tax - City	\$3,035,849	\$10,789,560	\$3,072,494	28%	1%	\$36,645
Comp Use Tax - County	\$1,091,721	\$3,915,780	\$1,110,577	28%	2%	\$18,856
Franchise Tax - Electric	\$1,178,147	\$5,150,000	\$1,091,170	21%	-7%	(\$86,977)
Franchise Tax - Gas	\$840,985	\$1,202,000	\$748,187	62%	-11%	(\$92,798)
Stormwater Service Charges	\$3,998,254	\$6,462,000	\$3,911,621	61%	-2%	(\$86,633)
Totals	\$42,960,515	\$113,068,474	\$43,485,362	38%	1%	\$524,847

Exhibit B – Operating and Debt Service Expenditures

3/31/2024	Actual for	FY 2024	Actual for	Actual 2024		
	1/1/2023 thru	Budget	1/1/2024 thru	as a % of	% Change	\$ Change
Description	3/31/2023	Estimate	3/31/2024	Budget Estimate	from FY 2023	from FY 2023
Operating Expenditures:						
General Fund	\$18,288,094	\$76,960,647	\$14,844,852	19%	-19%	(\$3,443,242)
Stormwater Fund	\$448,927	\$2,531,719	\$495,164	20%	10%	\$46,237
Totals	\$18,737,021	\$79,492,366	\$15,340,016	19%	-18%	(\$3,397,005)
Debt Service Expenditures:						
Debt Service Fund	\$1,792,043	\$9,609,346	\$1,616,887	17%	-10%	(\$175,156)
Capital Improvement Fund	\$297,600	\$2,842,950	\$241,475	8%	-19%	(\$56,125)
Tourism & Convention Fund	\$42,053	\$278,406	\$39,203	14%	-7%	(\$2,850)
Stormwater Fund	\$0	\$3,156,585	\$395,901	13%	100%	\$395,901
Totals	\$2,131,696	\$15,887,287	\$2,293,466	14%	8%	\$161,770

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(03/31/2024)**

Exhibit C – Investment Summary

Investment Type	Market Value	% of Market Value	Maximum % Allowed by Policy
U.S. Government Agency Obligations	\$91,245,882	41.5%	90%
U.S. Treasury Notes and Bills	\$88,051,019	40.1%	100%
Collateralized Time and Demand Deposits	\$180,829	0.1%	100%
Kansas Municipal Investment Pool Fund (MIP)	\$733,190	0.3%	30%
Repurchase Agreements	\$39,613,000	18.0%	30%
Total Portfolio	\$219,823,920	100%	n/a

CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(03/31/2024)
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 (Loss) as of 03/31/2024
FEDERAL HOME LOAN BANKS	3,000,000.00	5.245	12/13/2024	3,016,116.22	2,948,682.00	(67,434.22)
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5,000,000.00	5.277	10/15/2024	5,008,115.80	4,903,220.00	(104,895.80)
UNITED STATES TREASURY	2,500,000.00	5.210	11/30/2024	2,444,216.07	2,439,453.13	(4,762.95)
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5,000,000.00	5.219	01/07/2025	4,882,613.96	4,865,585.00	(17,028.96)
UNITED STATES TREASURY	3,000,000.00	4.750	04/15/2024	2,999,593.31	2,993,906.25	(5,687.06)
UNITED STATES TREASURY	5,000,000.00	5.118	05/15/2024	4,995,041.19	4,968,750.00	(26,291.19)
UNITED STATES TREASURY	5,000,000.00	5.184	07/15/2024	4,989,027.34	4,929,687.50	(59,339.84)
UNITED STATES TREASURY	5,000,000.00	5.256	08/15/2024	4,985,469.91	4,908,593.75	(76,876.16)
UNITED STATES TREASURY	5,000,000.00	5.188	09/15/2024	4,981,704.80	4,891,406.25	(90,298.55)
UNITED STATES TREASURY	3,000,000.00	5.197	11/15/2024	2,982,616.49	2,918,437.50	(64,178.99)
UNITED STATES TREASURY	3,000,000.00	5.131	02/15/2025	2,966,552.04	2,907,187.50	(59,364.54)
UNITED STATES TREASURY	3,000,000.00	5.131	02/15/2025	2,909,109.04	2,907,187.50	(1,921.54)
UNITED STATES TREASURY	3,000,000.00	5.051	03/15/2025	2,970,510.03	2,908,125.00	(62,385.03)
FEDERAL HOME LOAN BANKS	10,000,000.00	5.222	06/21/2024	9,883,750.16	9,881,560.00	(2,190.16)
FEDERAL HOME LOAN BANKS	20,000,000.00	5.254	08/09/2024	19,616,160.34	19,625,280.00	9,119.66
FEDERAL HOME LOAN BANKS	5,000,000.00	5.304	11/13/2024	4,999,041.42	4,998,055.00	(986.42)
UNITED STATES TREASURY	5,000,000.00	5.120	06/06/2024	4,953,532.07	4,952,195.85	(1,336.22)
UNITED STATES TREASURY	2,500,000.00	4.479	04/16/2024	2,494,606.06	2,494,505.20	(100.86)
UNITED STATES TREASURY	10,000,000.00	5.040	05/14/2024	9,938,193.01	9,937,052.80	(1,140.21)
FEDERAL FARM CREDIT BANKS FUNDING CORP	10,000,000.00	5.213	02/07/2025	9,990,059.15	9,971,460.00	(18,599.15)
Sub-total: Short-term Portfolio	\$113,000,000	5.164	09/24/2024	\$112,006,028	\$111,350,330	(\$655,698)

Long-term Portfolio:

Description	Par Value	Current Yield	Final Maturity	Current Book Value	Current Market Value	Unrealized Gain (Loss) as of 03/31/2024
UNITED STATES TREASURY	3,000,000.00	4.989	05/15/2025	2,979,108.48	2,906,718.75	(72,389.73)
UNITED STATES TREASURY	1,000,000.00	4.861	08/15/2025	983,463.36	962,187.50	(21,275.86)
UNITED STATES TREASURY	5,000,000.00	4.685	02/15/2026	4,776,666.26	4,727,343.75	(49,322.51)
UNITED STATES TREASURY	5,000,000.00	4.733	12/31/2025	4,867,682.87	4,824,218.75	(43,464.12)
FEDERAL NATIONAL MORTGAGE ASSOCIATION	3,000,000.00	5.059	04/22/2025	2,934,035.71	2,863,881.00	(70,154.71)
FEDERAL HOME LOAN MORTGAGE CORP	2,000,000.00	4.953	07/21/2025	1,927,916.36	1,885,136.00	(42,780.36)
UNITED STATES TREASURY	2,000,000.00	4.891	07/31/2025	1,931,811.79	1,880,937.50	(50,874.29)
FEDERAL NATIONAL MORTGAGE ASSOCIATION	2,000,000.00	4.944	08/18/2025	1,925,467.31	1,882,308.00	(43,159.31)
UNITED STATES TREASURY	3,000,000.00	4.822	09/30/2025	2,869,598.26	2,803,125.00	(66,473.26)
FEDERAL HOME LOAN MORTGAGE CORP	3,000,000.00	4.865	09/23/2025	2,876,944.08	2,809,440.00	(67,504.08)
UNITED STATES TREASURY	5,000,000.00	4.798	10/31/2025	4,777,529.25	4,656,250.00	(121,279.25)
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5,000,000.00	4.847	11/07/2025	4,787,593.08	4,668,075.00	(119,518.08)
UNITED STATES TREASURY	2,000,000.00	4.770	11/30/2025	1,909,703.13	1,860,312.50	(49,390.63)
UNITED STATES TREASURY	5,000,000.00	4.770	11/30/2025	4,694,372.16	4,650,781.25	(43,590.91)
UNITED STATES TREASURY	5,000,000.00	4.703	01/31/2026	4,639,713.44	4,622,656.25	(17,057.19)
FEDERAL HOME LOAN BANKS	20,000,000.00	4.962	08/15/2025	20,010,683.34	19,943,200.00	(67,483.34)
Sub-total: Long-term Portfolio	\$71,000,000	5.145	09/28/2025	\$68,892,289	\$67,946,571	(\$945,718)

Description	Par Value	Current Yield	Current Book Value	Current Market Value	Unrealized Gain (Loss) as of 03/31/2024
TOTALS	\$184,000,000	5.052	\$180,898,317	\$179,296,901	(\$1,601,416)

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 Agreement
- Collateralized Time & Demand Deposit
- Municipal Investment Pool (Overnight Pool)

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(03/31/2024)**

Exhibit E - Reserve Balances by Fund

3/31/2024											
<u>Fund</u>	<u>Fund No.</u>	<u>Current Assets</u>	<u>Current Liabilities</u>	<u>3/31/2024 Reserve Balance</u>	<u>FY 2024 Budget</u>	<u>Policy Minimum Reserve Target</u>	<u>Minimum Reserve Target (per policy)</u>	<u>Policy Maximum Reserve Target</u>	<u>Amount Above/(Below) Reserve Target</u>	<u>Actual 3/31/2024 Reserve Percentage</u>	<u>Projected 12/31/2024 Reserve Percentage</u>
General Fund	01	\$53,905,291	\$8,836,246	\$45,069,045	\$106,447,607	30%	\$31,934,282	35%	\$13,134,763	42%	30%
Debt Service Fund	05	\$10,319,675	\$0	\$10,319,675	\$13,968,517	10%	\$1,396,852	20%	\$8,922,823	74%	37%
Health Plan Fund	85	\$4,485,615	\$0	\$4,485,615	n/a	n/a	\$1,913,778	n/a	\$2,571,837	n/a	n/a
Risk Management Fund	86	\$1,156,612	\$92,627	\$1,063,985	n/a	n/a	\$1,304,026	n/a	(\$240,041)	n/a	n/a
Worker's Compensation Fund	87	\$2,183,928	\$0	\$2,183,928	n/a	n/a	\$1,925,698	n/a	\$258,230	n/a	n/a
Stormwater Fund	80	\$5,977,630	\$23,675	\$5,953,955	\$7,275,086	10%	\$727,509	20%	\$5,226,446	82%	39%
Rec Center Fund	82	\$4,247,371	\$21,681	\$4,225,690	\$3,135,500	10%	\$313,550	20%	\$3,912,140	135%	74%
Tourism and Convention Fund	28	\$2,662,306	\$0	\$2,662,306	\$900,000	5%	\$45,000	10%	\$2,617,306	296%	280%
Special Alcohol Fund	26	\$966,125	\$137,500	\$828,625	\$431,500	5%	\$21,575	10%	\$807,050	192%	213%

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(03/31/2024)**

Exhibit F - Thompson Barn Financial Report

<u>Account Description</u>	<u>Amount as 3/31/2023</u>	<u>Amount as 3/31/2024</u>
<i>Revenues:</i>		
Community Rentals	\$62,914	\$42,704
Total Revenues	\$62,914	\$42,704
<i>Expenditures and Encumbrances:</i>		
Personnel Costs	\$8,483	\$6,723
Contractual Services	\$11,048	\$13,755
Commodities	\$6,218	\$6,756
Total Expenditures and Encumbrances	\$25,750	\$27,234
Revenues less Expenditures and Encumbrances	\$37,164	\$15,470
Unspent Balance as of January 1st	\$1,042,842	\$1,234,768
Unspent Balance as of March 31st	\$1,080,006	\$1,250,238

<u>Rental Activity YTD:</u>		
<u>Number of Rentals</u>	<u>3/31/2023</u>	<u>3/31/2024</u>
Chamber of Commerce	4	4
City of Lenexa	5	6
Public	56	48
Totals	65	58
<u>Types of Rentals</u>	<u>3/31/2023</u>	<u>3/31/2024</u>
Meetings	26	27
Social Functions	39	31
Totals	65	58

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(03/31/2024)**

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

Fund/Department	Vendor Name	Amount	Description	Date
Parks & Recreation	Outdoor Restrooms LLC	27,790.00	Porta Pottys for the Parks	01/02/24
Community Development	Musco Sports Lighting LLC	46,000.00	Streetlighting for Lenexa Old Town Activity Center	01/05/24
Executive	Michael Richard-Tel Parrett	32,255.00	2024 Public Defender Services	01/05/24
Executive	SRC Law Group LLC	32,255.00	2024 Public Defender Services	01/05/24
Police	Axon Enterprise Inc	30,240.00	January 2024 Fleet 3 Basic Renewal for software	01/09/24
Police	Axon Enterprise Inc	36,151.90	June 2024 Interview Rooms software Justice Center	01/09/24
Police	All City Management Services	72,878.40	2023-2024 School Crossing Guards 2nd half year	01/09/24
Community Development	Kansas One Call System Inc	35,000.00	2024 Locating Services - Kansas One Call	01/12/24
Community Development	George Butler Associates Inc	53,200.00	KCMMB Concrete Services	01/17/24
Parks & Recreation	Sticks n Stones Landscape LLC	70,000.00	Street Trees	01/17/24
Executive	Federico Consulting Inc	45,000.00	2024 Lobbyist Services	01/22/24
Parks & Recreation	Bike Share KC	37,200.00	Bike Share KC	01/23/24
Police	MOTOROLA SOLUTIONS	29,056.48	Radios to Replace Scanners in Patrol Cars	01/23/24
Community Development	City Center Lenexa Master Association	38,830.00	City Center Lenexa Master Association	01/31/24
Community Development	SK Design Group, Inc.	24,944.00	107th & 108th St & Pflumm Rd Stormwater Improvement	02/02/24
Executive	US Postal Service	40,000.00	Town Talk Postage 2024	02/06/24
Municipal Services	Stantec Consulting Services Inc	58,125.00	Stantec Consulting Services Inc	02/07/24
Police	C&C Sales Inc	21,000.00	20 Axis Outdoor Fixed Cameras	02/14/24
Police	City of Overland Park	38,000.00	Intergraph Maint 01/01/24-12/31/24 - reimburse 911 fund	02/14/24
Municipal Services	Siemens Building Technologies Inc	20,664.00	2024 Siemens Advantage Maintenance Agreement	02/20/24
Executive	United Community Services of JO CO	50,000.00	2024 Opiod Settlement Funds Distribution	02/20/24
Police	RG Beck AZ, Inc	67,000.00	16 Tactical Body Armor	02/28/24

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(03/31/2024)**

Exhibit H - Rec Center Financial Report

		<u>FY 2024</u>	<u>Amount as</u>
<u>Account Description</u>		<u>Budget</u>	<u>3/31/2024</u>
<i>Revenues:</i>			
<u>Account:</u>			
45601 & 45660	Membership Fees	\$1,600,000	\$681,254
45599, 45641 & 45654	Day Pass Fees	\$290,000	\$180,692
45640	Child Care Fees	\$35,000	\$13,452
45665	Silver Sneakers Fees	\$100,000	\$66,249
45647	Birthday Party Rental Fees	\$140,000	\$57,835
45642-45644	Fitness Class Fees	\$96,000	\$25,763
45613, 45916-45920	Swim Lessons/Aquatics Programs	\$141,200	\$35,685
45619, 45625, 45627, 45635, 45637, 45639, 45645, 45646, 45870, 45871	Sports Programs	\$39,800	\$13,744
45648, 45732	Other Event & Rental Fees	\$7,000	\$8,802
45617, 45621, 45623, 45629, 45649, 45651, 45652, 45653	Other Classes & Camps Fees	\$166,500	\$36,227
44270	Grant Revenues (CDBG)	\$0	\$0
47120 & 47130	Investment Income	\$6,000	(\$16,218)
48204, 48210, 48216, 48217, 48221, 48230, 48235, 48250, 48257, 48281, 48282, 48285, 48286, 49435	Vending & Miscellaneous Revenues	\$14,000	\$3,997
Total Revenues		\$2,635,500	\$1,107,482
<i>Expenses:</i>			
	Personnel Costs	\$2,644,770	\$522,323
	Contractual Services	\$515,623	\$104,651
	Commodities	\$284,525	\$67,529
	Capital Outlay	\$284,851	\$80,052
Total Expenses		\$3,729,769	\$774,555
Revenues less Expenses		(\$1,094,269)	\$332,927
Transfer from General Fund		\$500,000	\$0
Net Position (Balance), January 1, 2024			\$3,892,764
Net Position (Balance), March 31, 2024			\$4,225,691
Statistics as of 03/31/2024			
<i>Rec Center opened for operations in late July of 2017.</i>			
	Memberships	Number	% Share
	Household	5,658	53.5%
	PLUS 1 (members above total of 5 members per household)	699	6.6%
	Adult	999	9.4%
	Senior	645	6.1%
	Specialty Memberships	2,426	22.9%
	All Other	158	1.5%
	Total Memberships	10,585	100.0%
	Total Membership Units (Pro Forma estimated 2,010 in first year)	6,266	
	Total Visits (1st quarter 2024)	120,913	
	Total Visits (since opening)	1,780,658	