



Agenda

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

**NOVEMBER 5, 2024
7:00 PM
COMMUNITY FORUM**

CALL TO ORDER Pledge of Allegiance

ROLL CALL

APPROVE MINUTES October 15, 2024 City Council meeting draft minutes
(located in the Appendix)

**MODIFICATION OF
AGENDA**

CONSENT AGENDA

Item Numbers 1 through 9

The matters listed on the Consent Agenda are routine and approved collectively with no separate discussion on each individual item. Any item on the Consent Agenda may be removed from the Consent Agenda for separate consideration by a member of the Governing Body, the City Manager, or by a member of the public in attendance at the meeting. In the event the item is removed from the Consent Agenda, it will be placed on the regular agenda.

1. Acceptance of the Little Mill Creek Trail Replacement Project for maintenance

This project reconstructed 1.45 miles of trail from the northeast corner of 79th Street & Lackman Road to the middle of Little Mill Creek North Park. The work included removing the deteriorated asphalt trail and replacing it with a 10-foot-wide concrete trail. The total project cost was \$922,025.35.

2. Encroachment agreement with Southern Star Central Gas Pipeline, Inc., for a sidewalk on 77th Street east of Quivira Road, as part of the 2024 Sidewalk and Trail Repair Program

Southern Star Central Gas Pipeline, Inc. has agreed to permit construction over its easement for this project. Improvements include constructing a new sidewalk on the north side of 77th Street from Quivira Road to Garnett Street. The total project cost is \$41,198.03.

3. Interlocal agreement with Johnson County for partial reimbursement of

construction costs for the 107th and 108th Streets West of Pflumm Stormwater System Renewal Project

This agreement allows the City to be reimbursed for eligible costs including construction, inspection, and utility relocation costs for this project. The City will be awarded 50% of the project cost, up to a maximum of \$444,651. The total project cost is \$1,039,952.

4. Agreement with Star Signs, LLC for the fabrication and installation of signage, wayfinding, and graphics for the Lenexa Old Town Activity Center and waiver of the sealed bid process

Star Signs, LLC has provided a price quote to fabricate and install exterior building identification, exterior/interior wayfinding, and interior environmental graphics for \$80,118.

5. Agreement with Integrity Locating Services, Inc. for utility locating services

The City is required to locate its fiber optic lines, storm sewers, and underground electrical lines that operate streetlights and traffic signals. Due to the time and equipment required to locate these facilities, the City has elected to hire a third party to perform these services. Integrity Locating Services, Inc. will pay up to \$185,000 for this work.

6. Resolution authorizing the Mayor to execute a subrecipient agreement with Johnson County, Kansas and an Authorized Signature Form for the Community Development Block Grant (CDBG) Project Number 2024-09

This agreement is for the acceptance of \$190,493.76 in funds for the 2024 Community Development Block Grant street lighting project for 96th Terrace & Monrovia Street. An Authorized Signature Form that certifies staff members who are authorized to sign reimbursement requests is also required.

7. Resolution consenting to a mortgage and authorizing the execution of documents in connection with an industrial warehouse and office facility financed with the City's industrial revenue bonds Series 2022 (Lenexa Logistics Centre North Phase II - Building 5)

The developer wants to refinance the project and the existing mortgage and enter into a loan agreement with RGA Reinsurance Company and grant the new lender a leasehold mortgage for purposes of securing the loan. Pursuant to the industrial revenue bond documents, consent of the City is required for the developer to assign or mortgage its interest in the project and such consent shall not be unreasonably withheld. The refinancing and new leasehold mortgage do not release the developer of its liability to perform its duties and obligations under the Lease Agreement or under the payment in

lieu of taxes agreement.

- 8. Resolution authorizing amendments to the trust indenture, base lease, and lease relating to the City's not to exceed \$24 million in industrial revenue bonds, Series 2022 (Meritex Surface Buildings 3, 4 & 5 Project)

Meritex Lenexa Development II, LLC is requesting an extension to utilize the remaining industrial revenue bonds, and the associated sales tax exemption, to construct tenant finishes in its three light industrial/warehouse buildings located along 99th Street between Ridgeview Road and Britton Street.

- 9. Ordinance amending Lenexa City Code Section 3-9-E-4 Regarding Disorderly Conduct

Lenexa City Code contains language determined to be unconstitutional by the Kansas Supreme Court and this ordinance removes that language, as well as changes some verbiage regarding disorderly conduct.

END OF CONSENT AGENDA

NEW BUSINESS

None

COUNCILMEMBER REPORTS

STAFF REPORTS

- 10. 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

- 11. October 15, 2024 City Council meeting draft minutes
- 12. Item 2 -- Southern Star Central Gas Pipeline, Inc. - Encroachment Agreement

13. Item 5 -- Integrity Locating Services, Inc. - Agreement
14. Item 6 -- Johnson County CDBG - Subrecipient Agreement
15. Item 10 -- 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 1

SUBJECT: Acceptance of the Little Mill Creek Trail Replacement Project for maintenance

CONTACT: Nick Arena, Municipal Services Director
Cody Wilbers, Assistant Municipal Services Director

DATE: November 5, 2024

ACTION NEEDED:

Accept the Little Mill Creek Trail Replacement Project ("Project") for maintenance.

PROJECT BACKGROUND/DESCRIPTION:

This Project reconstructed 1.45 miles of trail from the northeast corner of 79th Street & Lackman Road to the middle of Little Mill Creek North Park.

Staff performed the final inspection on October 25, 2024, and confirmed that all work was 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 November 5, 2024, and will expire on November 5, 2026.

The contractor was R&R Concrete Inc.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The final Project cost \$922,025.35 and was included in the 2024-2028 Capital Improvement Program (Project No. 70011) and funded by the 3/8-cent sales tax.

STAFF RECOMMENDATION:

Accept for maintenance.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Healthy People

Integrated Infrastructure & Transportation

Guiding Principles

Superior Quality Services



Strategic Community Investment

ATTACHMENTS

1. Map



Legend

-  City Limits
-  Trail Replacement

Little Mill Creek Trail Replacement Project

2024 CIP Project 70011





ITEM 2

SUBJECT: Encroachment agreement with Southern Star Central Gas Pipeline, Inc., for a sidewalk on 77th Street east of Quivira Road, as part of the 2024 Sidewalk and Trail Repair Program

CONTACT: Nick Arena, Municipal Services Director
Cody Wilbers, Assistant Municipal Services Director

DATE: November 5, 2024

ACTION NEEDED:

Approve an encroachment agreement with Southern Star Central Gas Pipeline, Inc. ("SSC") for a sidewalk on the north side of 77th Street between Quivira Road and Garnett Street ("Project").

PROJECT BACKGROUND/DESCRIPTION:

The proposed encroachment agreement with SSC will permit the construction of a new sidewalk along 77th Street. The sidewalk will be constructed as part of the 2024 Sidewalk and Trail Repair Program. INCO USA, LLC. is currently under contract to complete this work.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The Project cost is \$41,198.03 and is funded in the 2024-2028 Capital Improvement Program (Project No. 60117), which has an annual budget of \$350,000.

STAFF RECOMMENDATION:

Approve the agreement.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Vibrant Neighborhoods
Integrated Infrastructure & Transportation

Guiding Principles

Strategic Community Investment

ATTACHMENTS

1. Map
2. Agreement located in the Appendix



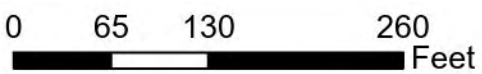
Legend

- Sidewalk Gap
- City Limits

Folder: L:\1 GIS\ArcPro\SW Gaps
 Last Saved: 8/1/2024
 Prepared by Julius Moore, Municipal Services

77TH Street Sidewalk Gap Project

2024 Sidewalk & Trail Repair Program





ITEM 3

SUBJECT: Interlocal agreement with Johnson County for partial reimbursement of construction costs for the 107th and 108th Streets West of Pflumm Stormwater System Renewal Project

CONTACT: Tim Green, Deputy Community Development Director
Tom Jacobs, Stormwater Engineer

DATE: November 5, 2024

ACTION NEEDED:

Approve an interlocal agreement with Johnson County for partial reimbursement of construction costs for the 107th and 108th Streets West of Pflumm Stormwater System Renewal Project ("Project").

PROJECT BACKGROUND/DESCRIPTION:

City staff identified the stormwater infrastructure along 107th Street and 108th Street west of Pflumm Road for stormwater system improvements due to poor condition and previous failures. SK Engineering was contracted to design improvements and the Project was submitted to Johnson County for funding. It was ranked against proposals by other communities and awarded a Johnson County Stormwater Program cost share. Wiedenmann Inc. submitted the lowest bid and was awarded the contract for construction.

This interlocal agreement allows the City to be reimbursed for 50% of all eligible costs including construction, inspection, and utility relocation costs. This agreement was delayed until construction was nearly complete to account for additional utility relocation costs.

This agreement uses the City's standard form and is available for review in the City Clerk's office.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The total construction cost is \$1,039,952. The City will be awarded 50% of construction, inspection, and utility relocation costs up to a maximum of \$444,651. This Project is budgeted in the 2024-2028 Capital Improvement Program (Project No. 90068).

STAFF RECOMMENDATION:

Approve the agreement.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

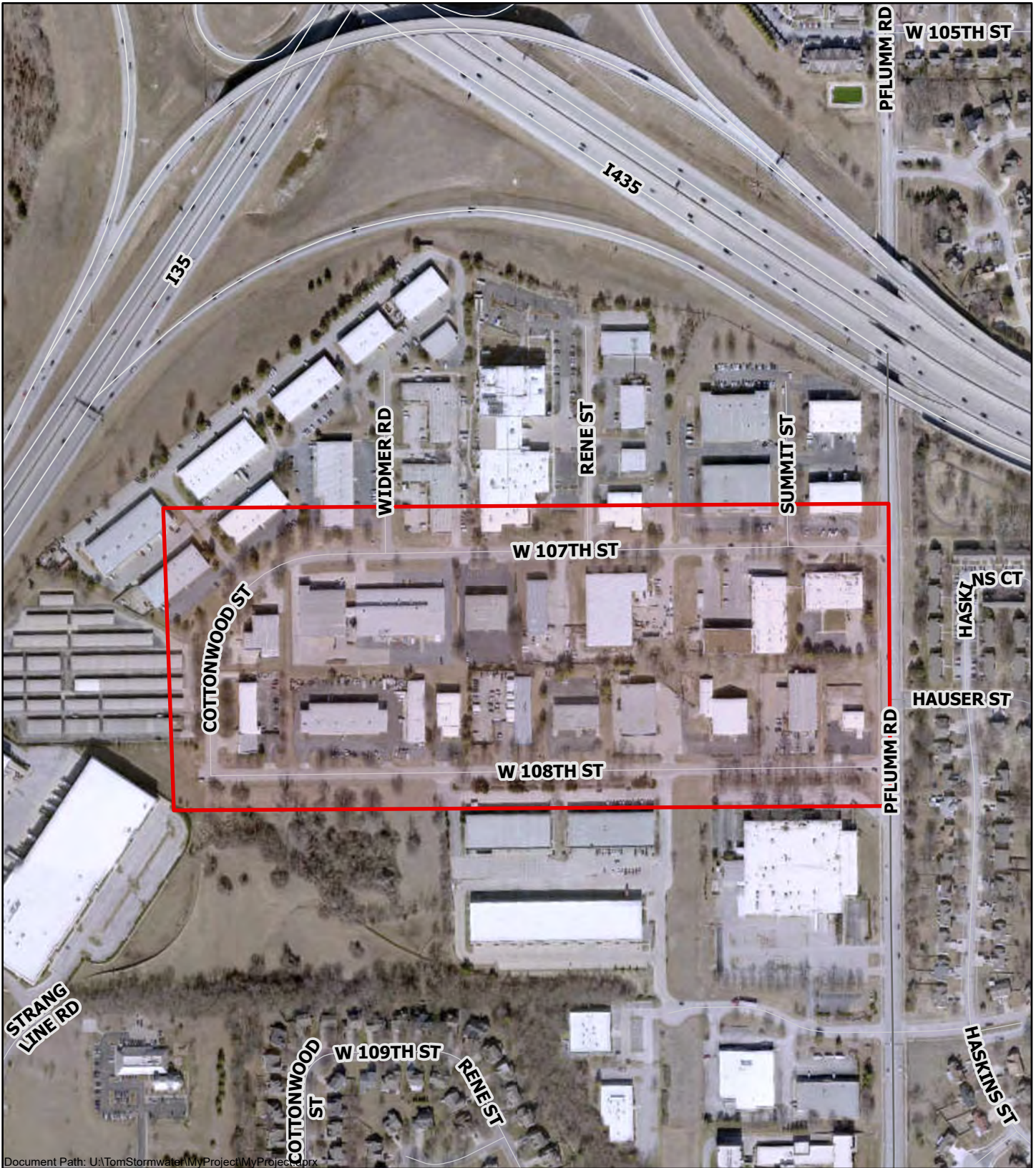
Integrated Infrastructure & Transportation

Guiding Principles

Strategic Community Investment
Sustainable Policies and Practices

ATTACHMENTS

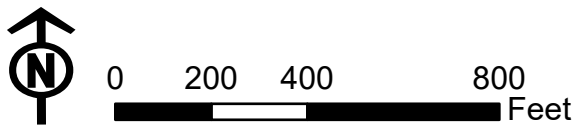
1. Map



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

107th & 108th west of Pflumm Project area





ITEM 4

SUBJECT: Agreement with Star Signs, LLC for the fabrication and installation of signage, wayfinding, and graphics for the Lenexa Old Town Activity Center and waiver of the sealed bid process

CONTACT: Logan Wagler, Parks & Recreation Director

DATE: November 5, 2024

ACTION NEEDED:

Approve an agreement with Star Signs, LLC for the fabrication and installation of signage, wayfinding, and graphics for the Lenexa Old Town Activity Center (LOTAC) and waive the sealed bid process.

PROJECT BACKGROUND/DESCRIPTION:

As part of the LOTAC project, staff worked with Multistudio to develop a comprehensive signage and graphics package for the interior and exterior of LOTAC. The signage includes some Code required signage, but also signage that improves public accessibility and wayfinding throughout the facility to enhance the user experience.

Star Signs, LLC has a history of successful execution of City projects and positive, familiar working relationships with staff. Given their familiarity and experience with City branding standards and signage requirements, Star Signs, LLC was selected to fabricate the signage for the project. They have a proven track record of high-quality production, reliable service, the ability to meet required design and durability specifications, and the ability to coordinate fabrication and installation with the phased timeline of the project. Therefore, staff recommends waiving the sealed bid process and entering this agreement with Star Signs, LLC.

This agreement uses the City's standard form and is available for review in the City Clerk's office.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

This project is funded in the 2024-2028 Capital Improvement Program (Project No. 80019). The agreement with Star Signs, LLC, is for \$80,118.

STAFF RECOMMENDATION:

Approve the agreement and waive the sealed bid process.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040
Inviting Places

Guiding Principles
Extraordinary Community Pride

ATTACHMENTS

None



ITEM 5

SUBJECT: Agreement with Integrity Locating Services, Inc. for utility locating services
CONTACT: Tim Green, Deputy Community Development Director
DATE: November 5, 2024

ACTION NEEDED:

Approve an agreement with Integrity Locating Services, Inc. ("Integrity") for utility locating services.

PROJECT BACKGROUND/DESCRIPTION:

The Kansas Underground Utility Damage Prevention Act mandates that utility owners respond to location requests within a specific timeframe. The City is therefore required to locate its fiber optic lines, storm sewers, and underground electrical lines that operate streetlights and traffic signals. Due to the time and equipment required to locate these facilities, the City has elected to hire a third party to perform these services. The City receives approximately 1,300 utility locate requests per month.

The City issued a Request for Proposals on August 7, 2024. The following proposals were received:

Integrity Locating Services, Inc.	\$239,267.85
USIC, LLC	\$317,479.97
LineQuest, LLC	\$338,514.00
Benchmark Subsurface Utility Services	\$590,863.50
UtiliSource, LLC	\$741,653.40

Quantities were provided in the proposals for comparison purposes only. The actual contract award will be \$185,000, based on the 2025 operating budget line item.

The proposals were ranked based on each firm's experience, personnel, office location, work plan and costs. Staff recommends awarding the work to Integrity. Integrity was founded in 2008 and is located in Lenexa. They currently provide locating services for the cities of Overland Park, Olathe, Shawnee, Mission, Prairie Village, and others. In addition, their quality control and damage prevention measures are excellent.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The contract amount is \$185,000 and funding is included in the Community Development Department operating budget.

STAFF RECOMMENDATION:

Approve the agreement.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Integrated Infrastructure & Transportation

Guiding Principles

Sustainable Policies and Practices

ATTACHMENTS

1. Agreement located in the Appendix



ITEM 6

SUBJECT: Resolution authorizing the Mayor to execute a subrecipient agreement with Johnson County, Kansas and an Authorized Signature Form for the Community Development Block Grant (CDBG) Project Number 2024-09

CONTACT: Tim Green, Deputy Community Development Director

DATE: November 5, 2024

ACTION NEEDED:

Adopt a resolution authorizing the Mayor to execute a subrecipient agreement with Johnson County, Kansas and an Authorized Signature Form for Community Development Block Grant (CDBG) Project Number 2024-09.

PROJECT BACKGROUND/DESCRIPTION:

The City's CDBG entitlement funds are administered by Johnson County. Pursuant to the Memorandum of Understanding with Johnson County, the CDBG Program annual sub-grant to the City is based upon the City's percentage of the Johnson County population, according to the 2010 U.S. Census data, excluding the cities of Overland Park and Shawnee (both of which are Metropolitan Cities). The sub-grant is awarded annually based on project applications submitted to Johnson County. In 2024, funding was awarded for the 96th Terrace & Monrovia Street Streetlighting Improvement Project ("Project").

This subrecipient agreement sets forth the general terms and conditions, federal and Johnson County regulations and requirements, and financial management requirements for acceptance of the CDBG funds. The Authorized Signature Form certifies that the individual staff members listed on the form are authorized to sign the reimbursement requests for CDBG funds.

Staff will bid the Project this year, but due to receiving the subrecipient agreement late in the year and delays in acquiring street lighting equipment, work is expected to begin in 2025. Therefore, the City must also formally request an extension of the CDBG funds for any work not completed by December 31, 2024. The request is to extend the project completion date to June 30, 2025.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The Project agreement provides CDBG funding, and the remaining amount is funded in the 2024-2028 Capital Improvement Program (CIP Project No. 60042). The total estimated construction cost is \$330,000.

CIP Project No. 60042	\$139,506.24
CDBG	\$190,493.76
Total	\$330,000.00

STAFF RECOMMENDATION:

Adopt the resolution.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

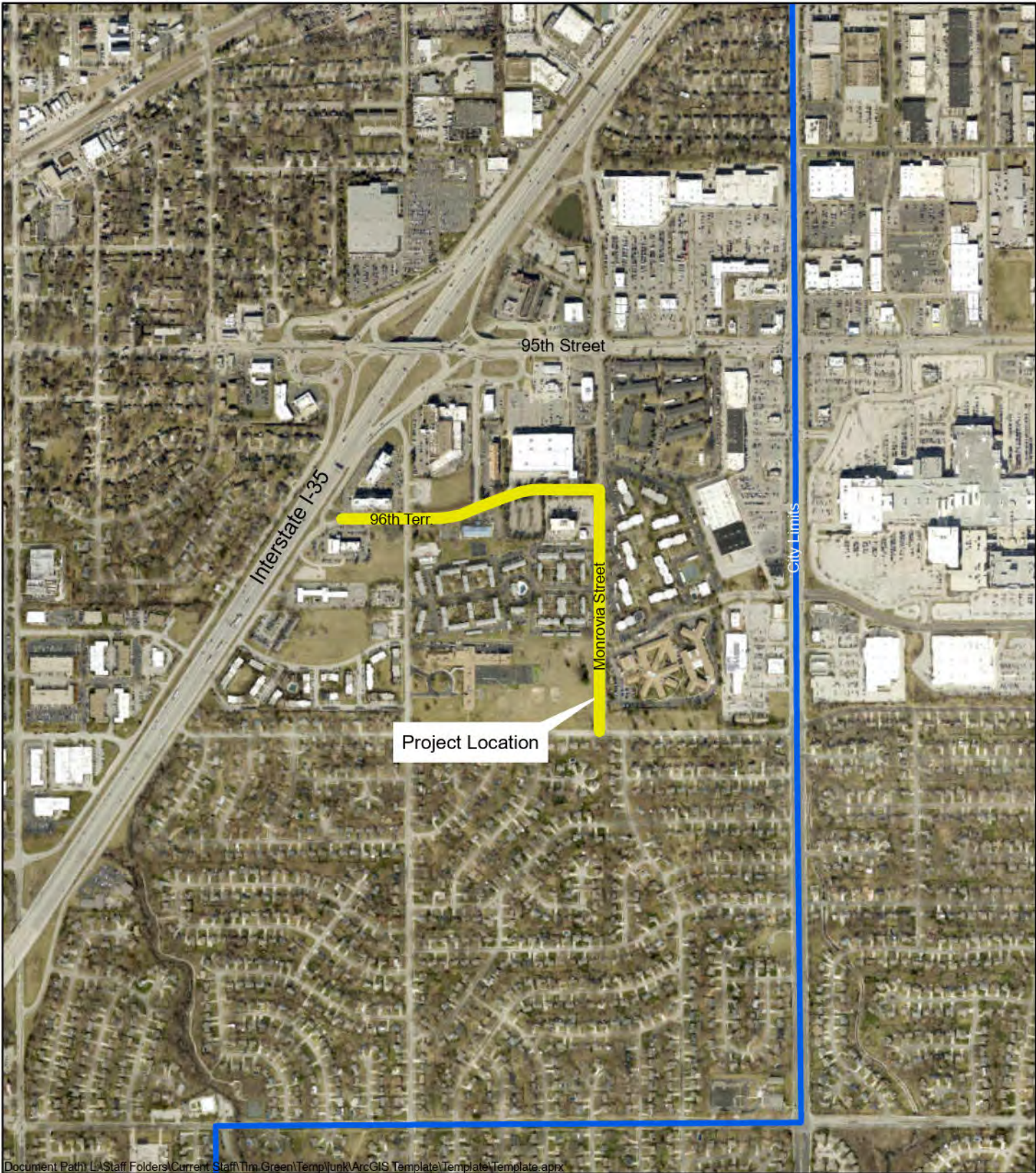
Vibrant Neighborhoods

Guiding Principles

Strategic Community Investment
Sustainable Policies and Practices

ATTACHMENTS

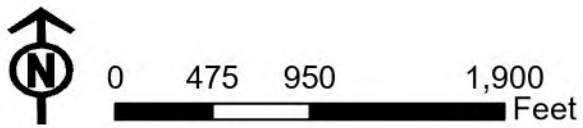
1. Map
2. Authorized Signature Form
3. Extension Request Letter
4. Resolution
5. Agreement located in the Appendix



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

2024 CDBG Streetlighting Improvements





2024
AUTHORIZED SIGNATURE FORM
JOHNSON COUNTY CDBG PROGRAM

Subgrantee: City of Lenexa

CDBG Grant Number: 2024-09

Address: 17101 W 87th St Pky
Lenexa, KS 66219

AUTHORIZED SIGNATURES FOR REQUEST FOR PAYMENT

Please designate two or three individuals to sign "Reimbursement Requests" related to this project.
Only one signature is required by Johnson County for submission.

Name: Tim Green
Title: Deputy Director/Engineer
Signature:

Name: Megan Sterling
Title: Assistant Chief Financial Officer
Signature:

Name: Nate Blum
Title: Chief Financial Officer
Signature:

CERTIFICATION

I hereby certify that any one of the above signatures is authorized
to sign the Reimbursement Requests for CDBG funds.

Name of Mayor, County Department Director, or Board Chair
(Please Print)

Title

Signature of Mayor, County Department Director, or Board Chair

Date



October 25, 2024

Ms. Hilary Rose-Holland
Community Development
Johnson County, Kansas
111 S. Cherry, Suite 2000
Olathe, KS 66061

**RE: 2024 CDBG Street Lighting Project
96th Terrace (Lenexa Drive to Monrovia Street) &
Monrovia Street (96th Terrace to 99th Street)**

Dear Ms. Rose-Holland:

As per the Subrecipient Agreement that is to be executed on November 5, 2024, the City of Lenexa will receive \$190,493.76 in Community Development Block Grant (CDBG) funds from Johnson County for the 2024 CDBG Street Lighting Project along 96th Terrace and Monrovia Street. The project will begin advertised in early November, and bids will be opened on December 10, 2024. The City respectfully requests that the project completion be extended until June 30, 2025.

Pursuant to Article I (F) of the sub-recipient agreement, the City of Lenexa formally requests an extension of the CDBG funds into June 2025.

Should you have any questions, please contact Tim Green or Paula Parke.

Sincerely,

CITY OF LENEXA

Julie Sayers
Mayor

APPROVED AS TO FORM:

Sean McLaughlin, City Attorney

City of Lenexa / 17101 West 87th Street Parkway / Lenexa, Kansas 66215
City of Lenexa / P.O. Box 14888 / Lenexa, Kansas 66285
913.477.7500 City Hall / Fax 913.477.7639
www.lenexa.com

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE SUBRECIPIENT AGREEMENTS WITH JOHNSON COUNTY, KANSAS AND AUTHORIZED SIGNATURE FORMS FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (“CDBG”) PROJECT NUMBER 2024-09, 96TH TERRACE AND MONROVIA STREETLIGHTING IMPROVEMENT PROJECT.

WHEREAS, Johnson County, Kansas (“County”) has entered into a Grant Agreement with the United States Department of Housing and Urban Development (“HUD”), for federal assistance under Title I of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, pursuant to said Grant Agreement, County is obligated to require compliance with certain terms and conditions by any third-party with whom County contracts for the use of funds provided pursuant to the Grant Agreement; and

WHEREAS, the City of Lenexa’s Governing Body has determined a CDBG Project is necessary to conduct essential community development activities and desires to be eligible for participation; and

WHEREAS, County has authorized the use of funds provided in conjunction with the Grant Agreement for a CDBG Project to be administered by the City of Lenexa (“City”); and

WHEREAS, said Community Developments have been determined by County to be eligible projects under Title I of the Housing and Community Development Act of 1974, as amended, in that said CDBG Projects will enable City to replace streetlights along 96th Terrace and Monrovia; and

WHEREAS, County requires, as a condition precedent to County’s requesting from HUD a release of funds for said project, the execution of the Subrecipient Agreements; and

WHEREAS, the Subrecipient Agreement and Authorized Signature Form, attached as Exhibits A, have been reviewed and accepted by the City’s Governing Body.

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

SECTION ONE: The City of Lenexa, Kansas, a municipal corporation, does hereby approve and authorize the Mayor to execute the Subrecipient Agreement and Authorized Signature Form for Project Number 2024-09, as set out in Exhibit A, and incorporated herein by reference.

SECTION TWO: This Resolution shall become effective upon adoption by the Governing Body.

ADOPTED by the City Council this 5th day of November, 2024.

SIGNED by the Mayor this 5th day of November, 2024.

[SEAL]

CITY OF LENEXA, KANSAS

Julie Sayers, Mayor

ATTEST:

Jennifer Martin, City Clerk

APPROVED AS TO FORM:

Steven ShROUT, Assistant City Attorney



**CITY COUNCIL
MEMORANDUM**

ITEM 7

SUBJECT: Resolution consenting to a mortgage and authorizing the execution of documents in connection with an industrial warehouse and office facility financed with the City's industrial revenue bonds Series 2022 (Lenexa Logistics Centre North Phase II - Building 5)

CONTACT: Sean McLaughlin, City Attorney

DATE: November 5, 2024

ACTION NEEDED:

Adopt a resolution consenting to a mortgage and authorizing the execution of documents in connection an industrial warehouse and office facility financed with the City's industrial revenue bonds (IRBs) Series 2022 (Lenexa Logistics Centre North Phase II - Building 5).

PROJECT BACKGROUND/DESCRIPTION:

The City issued IRBs on or about December 15, 2022 to help finance the acquisition, construction and equipping of a commercial facility described as Building 5 in the Lenexa Logistics Centre North Phase II ("Project"). The IRBs were structured as a lease/leaseback arrangement rather than the City acquiring title to the Project and, pursuant to the Bond lease, the Project was leased to Chymiak Investments KS SPE, LLC, a Kansas limited liability company, FCubed Lenexa N5 LLC, a Missouri limited liability company, GDG2 LLN5, LLC, a Kansas limited liability company, and McMann Property Management LLC, (collectively, "Original Tenant"). The City also approved an abatement on the Project subject to the Payment in Lieu of Tax Agreement (PILOT) entered into with the Original Tenant. On or about June 1, 2023, the Original Tenant assigned the IRBs, the Bond Lease, and PILOT agreement to LLCN 5, LLC ("Company").

The Developer now desires to refinance the Project and the existing mortgage and enter into a loan agreement with RGA Reinsurance Company and grant the new lender a leasehold mortgage for purposes of securing the loan. Pursuant to the IRB documents, consent of the City is required for the Developer to assign or mortgage its interest in the Project and such consent shall not be unreasonably withheld. The refinancing and new leasehold mortgage do not release the Developer of its liability to perform its duties and obligations under the Lease Agreement or under the PILOT agreement.

The bond documents are in the City's standard form and are available for review in the City Clerk's office.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

IRBs are not backed by the full faith and credit of the City. The Company is responsible for repayment of the IRBs and all fees related to the bond issue. Assignment of the Company's interest in the Lease does not relieve the Company of its liability to perform its duties and obligations under the Lease.

STAFF RECOMMENDATION:

Adopt the resolution.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Thriving Economy

Guiding Principles

Responsible Economic Development

ATTACHMENTS

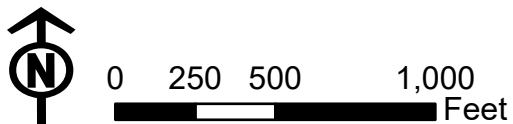
1. Map
2. Resolution



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

Lenexa Logistics Centre North Ph. II Building 5

Industrial Revenue Bonds



RESOLUTION NO. 2024-_____

A RESOLUTION CONSENTING TO A MORTGAGE AND AUTHORIZING THE EXECUTION OF DOCUMENTS IN CONNECTION WITH A COMMERCIAL INDUSTRIAL/WAREHOUSE FACILITY FINANCED WITH THE CITY'S INDUSTRIAL REVENUE BONDS (TAXABLE UNDER FEDERAL LAW) SERIES 2022 (LENEXA LOGISTICS CENTRE NORTH PHASE II – BUILDING 5).

WHEREAS, the City of Lenexa, Kansas (the “City”), has previously issued its Industrial Revenue Bonds (Taxable Under Federal Law), Series 2022 (Lenexa Logistics Centre North Phase II – Building 5) (the “Bonds”), pursuant to a Trust Indenture dated as of December 1, 2022 (the “Original Indenture”), as amended by a First Supplemental Trust Indenture dated as of June 1, 2023 (the “First Supplemental Indenture”, and collectively, with the Original Indenture, the “Existing Indenture”), between the Issuer and BOKF, N.A. (the “Trustee”); and

WHEREAS, the proceeds of the Bonds were used to finance the cost of acquiring, constructing and equipping an approximately 565,027 square foot commercial industrial/warehouse facility including real estate, furnishings, and building improvements described as Building 5 (the “Project”), which Project was leased by the City to Chymiak Investments KS SPE LLC, a Kansas limited liability company (“Chymiak”), FCubed Lenexa N5 LLC, a Missouri limited liability company (“FCubed”), GDG2 LLN5, LLC, a Kansas limited liability company (“GDG2”), and McMann Property Management LLC, a Missouri limited liability company (“McMann”) (Chymiak, FCubed, GDG2, and McMann are herein, individually and collectively, as the context requires, the “Original Company”), pursuant to a Lease dated as of December 1, 2022 (the “Original Lease”); and

WHEREAS, pursuant to an Assignment and Assumption of Base Lease, Lease, and Payment in Lieu of tax Agreement (Lenexa Logistics Centre North Phase II – Building 5) dated as of June 1, 2023, the Original Company assigned all of its rights, duties, interests, and obligations in the Original Lease to LLCN 5, LLC, a Kansas limited liability company (the “Company”), and in connection therewith, the City and the Company entered into a First Supplemental Lease dated as of June 1, 2023 (the “First Supplemental Lease” and together with the Original Lease, the “Existing Lease”), and the Original Company transferred the Bonds to the Company; and

WHEREAS, the Company is the owner of 100% of the Outstanding Bonds previously pledged to Security Bank of Kansas City, a Kansas banking corporation (the “Original Lender”), as collateral for a loan from the Original Lender to the Original Company pursuant to a mortgage granted by the Original Company to the Original Lender; and

WHEREAS, the Company desires to enter into a loan agreement (the “Loan”) with RGA Reinsurance Company, a Missouri corporation, its successors and/or assigns (the “Lender”), and in connection with the Loan, the Company desires to grant a mortgage to the Lender (the “Mortgage”) for the purpose of securing the Loan; and

WHEREAS, pursuant to Section 9.2 of the Existing Lease, the Company may assign or mortgage its interest in the Existing Lease with the prior written consent of the City, and the Company has requested the City to consent to the Mortgage; and

WHEREAS, under the terms of the Existing Lease, the mortgage of the Company's interest in the Project does not relieve the Company of its liability to perform its duties and obligations under the Existing Lease; and

WHEREAS, the Company has requested to amend the Existing Lease to modify the definitions of "Lender" and "Mortgage" and Section 14.1 provided in the Existing Lease; and

WHEREAS, Section 28.1 of the Existing Lease authorizes the City and the Company to amend the Existing Lease with the consent of the Trustee and the Owners of all of the Outstanding Bonds; and

WHEREAS, the Company has further requested to amend the Existing Indenture to modify Section 801 of the Existing Indenture; and

WHEREAS, Article XI of the Existing Indenture authorizes the City and the Trustee to amend the Existing Indenture with the consent of the Company and the Owners of all Outstanding Bonds; and

WHEREAS, the Company, individually and as the Owner of all Outstanding Bonds, has represented that it intends to consent to a supplemental indenture (the "Second Supplemental Indenture") by and between the City and the Trustee, and to execute a supplemental lease (the "Second Supplemental Lease") between the City and the Company as may be required in the Existing Indenture and Existing Lease; and

WHEREAS, the Trustee has represented that it intends to execute the Second Supplemental Indenture and to consent to the Second Supplemental Lease; and

WHEREAS, the Governing Body of the City has determined it is in the best interests of the City to authorize the execution of certain documents in connection with the Mortgage;

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

SECTION 1. The City hereby consents to the Company's grant of the Mortgage for the purposes herein described and authorizes the execution of a Second Supplemental Indenture and Second Supplemental Lease in connection therewith. The Mayor, City Clerk or other officers or agents of the City are authorized to execute such other documents as may be necessary in connection with the City's consent provided such documents are consistent with the intent of this Resolution.

SECTION 2. This Resolution shall be in full force and effect from and after its adoption.

ADOPTED by the Lenexa City Council on November 5, 2024.

SIGNED by the Mayor on November 5, 2024.

CITY OF LENEXA, KANSAS

Julie Sayers, Mayor

[SEAL]

ATTEST:

Jennifer Martin, City Clerk

APPROVED AS TO FORM:

Sean McLaughlin, City Attorney



ITEM 8

SUBJECT: Resolution authorizing amendments to the trust indenture, base lease, and lease relating to the City's not to exceed \$24 million in industrial revenue bonds, Series 2022 (Meritex Surface Buildings 3, 4 & 5 Project)

CONTACT: Sean McLaughlin, City Attorney

DATE: November 5, 2024

ACTION NEEDED:

Adopt a resolution authorizing amendments to the trust indenture, base lease, and lease relating to the City's not to exceed \$24 million in industrial revenue bonds (IRBs), Series 2022 (Meritex Surface Buildings 3, 4 & 5 Project).

PROJECT BACKGROUND/DESCRIPTION:

The City issued IRB Series 2022 in the approximate amount of \$24 million pursuant to a trust indenture, base lease, and lease, all dated December 1, 2022, and entered into between the City and the Trustee for the purpose of acquiring, constructing, and equipping three light industrial/warehouse buildings totaling 300,000 square feet located along 99th Street between Ridgeview Road and Britton Street. The City leased the building to Meritex Lenexa Development II, LLC ("Developer") pursuant to a Lease Agreement dated December 1, 2022. The project is located in the Ridgeview Mining TIF District and the City approved Project Plan 9 covering the project area on December 7, 2021.

The building shells are complete and pursuant to the bond documents, the maximum completion date for the project is January 1, 2025. The Developer is working to complete tenant finish in the buildings. The Developer has requested the City extend the completion date to January 1, 2026 to allow additional time to complete the tenant work. Completing tenant finishes with bond proceeds allows the Developer to continue to utilize the sales tax exemption certificate. This request does not affect the terms of the TIF Disposition and Development Agreement related to Project Plan 9.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

IRBs are not backed by the full faith and credit of the City. The applicant is responsible for repayment of the bonds and all fees related to the bond issue. There is no tax abatement for this project since it is located within a Tax Increment Financing (TIF) District. The bond issue allows the developer to receive a sales tax exemption on construction materials for the project.

STAFF RECOMMENDATION:

Adopt the resolution.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Thriving Economy

Guiding Principles

Responsible Economic Development

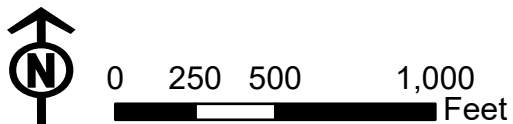
ATTACHMENTS

1. Map
2. Resolution



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

Meritex Surface Buildings 3,4, & 5 Industrial Revenue Bonds



RESOLUTION NO. 2024-_____

A RESOLUTION AUTHORIZING AMENDMENTS TO THE TRUST INDENTURE, BASE LEASE AND LEASE RELATING TO THE CITY'S NOT TO EXCEED \$24,000,000 INDUSTRIAL REVENUE BONDS (TAXABLE UNDER FEDERAL LAW), SERIES 2022 (MERITEX SURFACE BUILDINGS 3, 4 & 5 PROJECT).

WHEREAS, the City of Lenexa, Kansas (the "City" and the "Issuer") is authorized pursuant to the provisions of K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the "Act"), to acquire, purchase, construct and equip certain facilities (as defined in the Act), and to issue industrial revenue bonds for the purpose of paying the cost of such facilities, and to lease such facilities to private persons, firms or corporations; and

WHEREAS, the Issuer passed Ordinance No. 5918 on December 6, 2022 (the "Ordinance"), authorizing the issuance of its Industrial Revenue Bonds (Taxable Under Federal Law), Series 2022 (Meritex Surface Buildings 3, 4 & 5 Project), (the "Bonds"); and

WHEREAS, the Issuer issued the Bonds in the original principal amount not to exceed \$24,000,000 pursuant to a Trust Indenture dated as of December 1, 2022 (the "Original Indenture"), between the Issuer and the Trustee, for the purpose of paying the costs of acquiring, constructing and equipping the Project as more fully described in the Original Indenture; and

WHEREAS, in connection with the issuance of the Bonds, the City acquired a leasehold interest in the Project from Meritex Lenexa Development II, LLC, a Kansas limited liability company (the "Company"), pursuant to a Base Lease Agreement dated as of December 1, 2022 (the "Original Base Lease"); and

WHEREAS, the City leased the Project to the Company pursuant to a Lease dated as of December 1, 2022 (the "Original Lease"), between the Issuer and the Company; and

WHEREAS, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Original Indenture; and

WHEREAS, the Bonds mature, and the Original Base Lease and Original Lease terms expire, on January 1, 2025, and the Company has requested to extend this date until January 1, 2026; and

WHEREAS, the Company desires to amend the Original Indenture to extend the Completion Date (as defined in the Original Indenture) of the Project and the Maturity Date of the Bond until January 1, 2026, and Sections 1102 and 1103 of the Original Indenture authorize the Issuer and the Trustee to amend the Original Indenture with the consent of the Company and the owner of 100% of the outstanding Bonds; and

WHEREAS, the Company further desires to amend the Original Base Lease to extend the Lease Term (as defined in the Original Base Lease) to January 1, 2026, and pursuant to Section 9.04, the Original Base Lease may be amended, changed, modified, altered or terminated with the prior written consent of the parties thereto and the Trustee; and

WHEREAS, the Company further desires to amend the Original Lease to extend the Basic Term (as defined in the Original Lease) to January 1, 2026, and pursuant to Section 28.1 of the Original Lease, the Original Lease may be amended, changed or modified by an agreement in writing executed by the Issuer and the Company and consented to in writing by the Trustee and by the Owners of all of the Outstanding Bonds; and

WHEREAS, the Company is the owner (the “Bondowner”) of 100% of the Outstanding Bonds; and

WHEREAS, the Company and the Trustee have or will consent to the requested amendments to the Original Indenture, Original Base Lease and Original Lease; and

WHEREAS, the Governing Body of the Issuer deems it advisable to approve amendments of the Original Indenture, the Original Base Lease and the Original Lease, and to enter into a First Supplemental Indenture with the Trustee to extend the Completion Date of the Project and the Maturity Date of the Bonds to January 1, 2026, and to enter into a First Supplemental Base Lease Agreement and a First Supplemental Lease with the Company to extend the Lease Term and the Basic Term of the Original Base Lease and Original Lease, respectively, to January 1, 2026; and

WHEREAS, in connection with such amendments, the Issuer is willing to waive the notices specified in the Original Indenture, the Original Base Lease and the Original Lease.

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

Section 1. Approval of the Documents. The Governing Body of the Issuer hereby deems it desirable and hereby approves and authorizes the proposed amendment of the Original Indenture, the Original Base Lease and the Original Lease to extend the Completion Date of the Project, the Maturity Date of the Bonds, the Lease Term of the Original Base Lease and the Basic Term of the Original Lease to January 1, 2026, contingent upon receipt of all necessary approvals and consents and the compliance with all requirements of the Original Indenture, Original Base Lease, the Original Lease and other bond documents.

Section 2. Execution of the Bonds and Documents. The Mayor is hereby authorized and directed to execute and deliver the First Supplemental Indenture, the First Supplemental Base Lease Agreement and the First Supplemental Lease and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution (copies of said documents shall

be filed in the records of the Issuer) for and on behalf of and as the act and deed of the Issuer. The City Clerk is hereby authorized and directed to attest to and affix the seal of the Issuer to the First Supplemental Indenture and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. Further Authority. The Issuer shall, and the officials and agents of the Issuer and Kutak Rock LLP, the Issuer’s Bond Counsel for the Bonds, are hereby authorized and directed to, take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 4. Effective Date. This Resolution shall take effect and be in full force and effect from and after its adoption by the Governing Body of the Issuer.

PASSED by the Lenexa City Council on November 5, 2024.

SIGNED by the Mayor on November 5, 2024.

CITY OF LENEXA, KANSAS

[Seal]

Julie Sayers, Mayor

ATTEST:

Jennifer Martin, City Clerk

APPROVED AS TO FORM:

Sean McLaughlin, City Attorney



ITEM 9

SUBJECT: Ordinance amending Lenexa City Code Section 3-9-E-4 Regarding Disorderly Conduct
CONTACT: Ashlee Tomasic, Assistant City Attorney
DATE: November 5, 2024

ACTION NEEDED:

Pass an ordinance amending Lenexa City Code Section 3-9-E-4 regarding Disorderly Conduct.

PROJECT BACKGROUND/DESCRIPTION:

On March 15, 2024, the Kansas Supreme Court found a portion of the City of Wichita's Disorderly Conduct ordinance unconstitutional. Specifically, they found that "engaging in noisy conduct tending reasonably to arouse alarm, anger or resentment in others" was unconstitutionally overbroad. Lenexa City Code and Kansas state statutes contain the same language. This ordinance would remove the unconstitutional language from City Code as well as replace "using offensive, obscene or abusive language" with "using fighting words". This will bring the City Code in line with case law, state statute, and other municipalities throughout Kansas.

STAFF RECOMMENDATION:

Pass the ordinance.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040
Healthy People

Guiding Principles
Superior Quality Services

ATTACHMENTS

1. Ordinance

ORDINANCE NO. _____

ORDINANCE AMENDING LENEXA CITY CODE SECTION 3-9-E-4 REGARDING DISORDERLY CONDUCT

WHEREAS, the Kansas Supreme Court found a portion of the City of Wichita's Disorderly Conduct unconstitutional; and

WHEREAS, the City of Lenexa's Disorderly Conduct ordinance contains similar language to that found unconstitutional; and

WHEREAS, by amending the Disorderly Conduct ordinance, the unconstitutional language will be removed and the remaining language of the City's ordinance will more closely mirror the corresponding state statute.

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

Section One: Section 3-9-E-4 is hereby amended to read as follows:

Section 3-9-E-4 DISORDERLY CONDUCT.

Disorderly conduct is one or more of the following acts that the person knows or should know, ~~with knowledge or probable cause to believe that such acts~~ will alarm, anger or disturb others or provoke an assault or other breach of the peace:

- A. ~~Engaging in b~~Brawling or fighting; ~~or~~
- B. Disturbing an assembly, meeting or procession, not unlawful in its character; or
- C. Using fighting words, ~~offensive, obscene or abusive language or engaging in noisy conduct tending reasonably to arouse alarm, anger or resentment in others.~~

As used in this section, "fighting words" means words that by their very utterance inflict injury or tend to incite the listener to an immediate breach of the peace.

Violation of this Section shall constitute a public offense and is punishable as set forth in Article 3-9-J of this Chapter.

Section Two: Penalty: Any violation of the above provisions shall be punishable in accordance with Code Section 1-1-C-3, unless otherwise specifically set out.

Section Three: Interpretation: This Ordinance shall be construed as follows:

- A. Liberal Construction: The provisions of this Ordinance shall be liberally construed to effectively carry out its purposes which are hereby found and declared to be in furtherance of the public health, safety, welfare, and convenience.

B. Savings Clause: The repeal of any Ordinance or Code Section, as provided herein, shall not revive an Ordinance previously repealed, nor shall the repeal affect any right which accrued, any duty imposed, any penalty incurred or any proceeding commenced, under or by virtue of the Ordinance repealed. Said Ordinance or Code repealed continues in force and effect after the passage, approval, and publication of this Ordinance for the purpose of pursuing such rights, duties, penalties, or proceedings.

C. Invalidity: If for any reason any chapter, article, section, subsection, sentence, portion or part of this Ordinance, 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 Ordinance, City Code or other ordinances.

Section Four: Repeal: The existing City Code Section 3-9-E-4 is hereby repealed.

Section Five: Effective Date: This Ordinance shall become effective upon passage and publication of the ordinance summary in the official City newspaper as provided by State law.

PASSED BY the Governing Body this 5th day of November, 2024.

SIGNED BY the Mayor this 5th day of November, 2024.

CITY OF LENEXA, KANSAS

Julie M. Sayers, Mayor

ATTEST:

Jennifer Martin, City Clerk

APPROVED AS TO FORM:

Ashlee M. Tomasic, Assistant City Attorney



ITEM 10

SUBJECT: Quarterly Financial Report

CONTACT: Nate Blum, Chief Financial Officer

DATE: November 5, 2024

PROJECT BACKGROUND/DESCRIPTION:

Staff will present the third quarter financial report.

ATTACHMENTS

1. Presentation located in the Appendix

APPENDIX



**MINUTES OF THE
OCTOBER 15, 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 Eiterich, Charlton, Nicks, Arroyo, Williamson, Denny, and Herron were present with Mayor Sayers presiding. Councilmember Karlin was absent.

Staff present included Todd Pelham, Deputy 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 October 1, 2024 City Council meeting draft minutes and Councilmember Eiterich seconded the motion. Motion passed unanimously.

MODIFICATION OF AGENDA

There were no modifications to the agenda.

PROCLAMATIONS

Color the World Orange Day & AMPS/CRPS Awareness Month

CONSENT AGENDA

1. Acceptance of the Belmont Estates, 2nd Plat, public improvements for maintenance
This project constructed public street, stormwater, and streetlight improvements in the Belmont Estates, 2nd Plat subdivision. The work was privately funded.
2. Approval of the 2024-2025 insurance program and authorization for the City Manager to execute all documents necessary to procure property and liability insurance and associated lines of coverage
The proposed 2024-2025 self-insured retention program is substantially similar to the 2023-2024 policy; however, due to market conditions and the addition of the Justice Center and the renovated Sar-Ko-Par Aquatic Center, the program has increased in cost by approximately 40%, for a total cost of \$689,278.
3. Acceptance of sidewalk easements as shown on AdventHealth Lenexa City Center, Second Plat
AdventHealth Lenexa City Center, Second Plat is a final plat for a medical office

campus located at the southwest corner of 86th Street & Renner Boulevard. Sidewalk easements are being dedicated to the City with this plat.

4. Encroachment agreement with Shawnee Mission Medical Center Inc. d/b/a AdventHealth Shawnee Mission
To accommodate development of the new hospital at 16950 W. 86th Street in Lenexa City Center, AdventHealth is requesting an encroachment into public right-of-way for underground conduit, cables, and handholes.
5. Amendment One to the encroachment agreement with Adam and Ziyen Pessetto for a stormwater inlet
This amendment to the original encroachment agreement accurately identifies the location of the stormwater inlet as built.
6. Resolution declaring it necessary to appropriate private property for the construction of the 87th and Bluejacket Stormwater Improvements Project
This project will rehabilitate existing stormwater infrastructure in the area near 87th Street Parkway & Bluejacket Street, as well as in the Pine Ridge Business Park. The estimated project cost is \$2.1 million with the City receiving \$424,000 in cost-share funding from Johnson County.
7. Resolution approving the annual investment policy for operating funds
The Pooled Money Investment Board for the State of Kansas requires government entities with expanded investment powers to review and adopt an investment policy on an annual basis. Staff and the City's investment consultant have reviewed the existing policy and are recommending no changes.

END OF CONSENT AGENDA

Councilmember Williamson made a motion to approve items 1 through 7 on the consent agenda and Councilmember Nicks seconded the motion. Motion passed unanimously.

BOARD RECOMMENDATIONS

8. Ordinance approving a three-year special use permit for a daycare, general use for The Learning Playhouse located at 8115 Acuff Lane in the R-1, Residential Single-Family District
The applicant proposes to operate an in-home daycare for up to 12 children, classified as a daycare, general use, within the R-1 District, which requires a special use permit.

Stephanie Sullivan, Planning Manager, said this application is for a three-year special use permit (SUP) for The Learning Playhouse at 8115 Acuff Lane to operate an in-home daycare for up to 12 children. She presented the location map and described the property location, saying that the zoning and future land use maps reflect this property is zoned R-1 single family residential and is suburban density residential use.

Ms. Sullivan said that staff reviewed the 13 criteria for an SUP. She said there would be two employees caring for up to 12 children, Monday through Friday from 7 AM to

4:30 PM. She noted that code allows limited daycare for up to six children without an SUP, but that caring for seven to 12 children requires an SUP.

Ms. Sullivan specifically discussed two of the criteria that were considered: Character of the neighborhood and Traffic Impact. She presented an aerial map of the property showing it in a single family neighborhood. She said that staff believes this business will not have a negative impact on the neighborhood because of the staggered pickups and drop offs, as well as driveway availability and on-street parking. She added that the applicant's own children are included in the 12 total.

Ms. Sullivan said that the Oak Hill Homeowners Association (HOA) has expressed opposition to the SUP application's approval stating that this is against the HOA restrictions. She pointed to City Code Section 4-2-A-8: Relationship to private restrictions - private restrictions shall not be interpreted, followed, or enforced by the City.

Ms. Sullivan said both staff and the Planning Commission recommend approval.

Megan Todd, Applicant, said she has obtained her state license to operate and both she and the other employee have degrees and experience in early childhood education. She said her goal is to get started on this smaller scale in her home until she can secure a commercial location, hopefully by next school year. She acknowledged obstacles with the HOA and asked for approval of the SUP, noting this will allow her to earn a living and provide a reliable and necessary service to the families.

Councilmember Eiterich asked how many children Ms. Todd has and she answered that two are counted in the 12 total. Her additional two teenagers do not count in the total. Councilmember Eiterich asked what ages she would care for and she said infant to pre-K. Ms. Todd talked about having several families interested in part time care that would fill the 12 spots and how some families would have multiple children, which would reduce vehicles.

Councilmember Nicks asked how long Ms. Todd has been operating the limited daycare and she said just this school year, since August, but she applied for the SUP before that, knowing she wanted to care for up to 12 children. Councilmember Nicks asked staff if there had been any problems reported with the limited daycare and Scott McCullough, Community Development Director, said that no complaints have been received.

Steven Chernoff, 14905 W. 82nd Ter, said he is president of the Oak Hill HOA. He talked about how he felt the City approving this SUP with the awareness that the business does not meet the HOA's restrictions is making an exception to a pre-existing R-1 zoned area. He talked about reaching out to other Lenexa HOAs, saying many of them have responded and are upset about the City disregarding legally valid deed restrictions. He said that Council's approval of the SUP does not trump the restrictions and asked why the City would allow this to proceed knowing the restrictions are enforceable and require the Oak Hill HOA to expend money in legal proceedings.

Sean McLaughlin, City Attorney, explained how private restrictions are not interpreted, followed, or enforced by the City and the City is not party to them. He said the Council's role is to review the application against the Golden criteria and the zoning, like it would with any other SUP, and determine if this would be an allowed land use in R-1 zoning. He added that this issue has occurred before and the matter was handled the same way.

Ms. Sullivan reviewed the permitted uses in R-1 district, which include churches, limited daycare, group homes, and public parks, as well as others that are allowed with an SUP. She added that the primary use of the property remains residential as they live there and this is considered a supplementary use.

Joann Weger, 14929 W. 82nd Ter, said that the added traffic is a hazard on this street and that the HOA has received complaints about it. She said the property is on a curve where the street is also an incline. She added that the driveway is an incline as well and people do not park in it, they park in the street.

Councilmember Nicks asked if Acuff is a through-street and Ms. Sullivan said that Acuff goes through the neighborhood from 79th Street to 83rd Street.

Councilmember Nicks said he feels this changes the character of the neighborhood and he does not plan to support it.

Councilmember Eiterich talked about the need for more daycares and how the City Council would have no say in it if the applicant did not want to care for more than six children. She also said the Council is not responsible for navigating the HOA regulations, and she will support it.

Councilmember Williamson said she concurred with Councilmember Eiterich and that having a limited three-year SUP would allow staff to monitor the situation. She added that this is intended as a temporary location. She said she does not see any conflict with the Golden criteria, but she wants the applicant to utilize the driveway and maximize it as much as possible. She concluded that it is not the Council's responsibility to get involved in any potential civil litigation. She will support it.

Councilmember Herron said he is also in support of the application due to staff's recommendation.

Councilmember Denny said that per the staff report and the Planning Commission minutes that he reviewed, he is in support of the SUP.

Councilmember Arroyo said she is in agreement with the recommendation.

Councilmember Charlton talked about being torn on this decision because his mother was a daycare provider and he saw how that changed kids' lives. He said the neighborhood safety is a factor and when he drove past he did notice the driveway's incline, noting that he would probably not want to park in the driveway. He said this affects the character of the neighborhood and he will not support it.

Mayor Sayers talked about R-1 zoning and how there are many uses allowed. She added that denying uses like churches, schools and other uses would go against the community's foundation.

Councilmember Denny made a motion to approve Item 8 and Councilmember Eiterich seconded the motion. Motion passed 5-2 with Councilmembers Nicks and Charlton voting against.

9. Ordinance approving a three-year special use permit for a personal instruction, general use for The Piotrowski Indoor Facility located at 13720 & 13722 W. 108th Street in the BP-2, Planned Manufacturing District
The applicant proposes to operate an indoor youth training facility, classified as a personal instruction, general use within the BP-2 District, which requires a special use permit.

Ms. Sullivan said this facility would be for a sports use on 108th Street and presented the location map reflecting the tenant space in the overall building. She said the zoning and future land use maps reflect the property is zoned BP-2 and business park use. She added that this type of use is allowed in limited degree or with an SUP depending on the size of the facility.

Ms. Sullivan said this would be a 2,640 square foot facility, taking up more than 20% of the entire building, requiring an SUP.

Ms. Sullivan presented the floor plan reflecting a weight room, indoor soccer area, restrooms, open space, and training area.

Ms. Sullivan said that staff reviewed the 13 criteria for an SUP. She talked specifically about the traffic and parking analysis saying the required parking is 17 and there are more than 47 spaces provided. She noted the hours of operation would be alternate of school hours and on weekends, adding that this is a private use for family and friends only.

Ms. Sullivan said both staff and the Planning Commission recommend approval.

Andrew Piotrowski, owner, said he and his wife wanted to open this facility in memory of their daughter Olivia for kids to get athletic training and mentorship. He said that different clubs would be allowed to use it for various sports. He said it would operate after school. He added that there would be summer clinics and parent/child clinics for youth. He said that all adults would have the SafeSport certification as well.

Councilmember Nicks made a motion to approve Item 9 and Councilmember Arroyo seconded the motion. Motion passed unanimously.

10. Preliminary plan for Renner 87, a mixed-use development in City Center, located at the northeast corner of 87th Street Parkway & Renner Boulevard in the CC, Planned City Center District - **WITHDRAWN BY THE APPLICANT**

Item 10 was withdrawn at the applicant's request.

NEW BUSINESS

There was no new business.

COUNCILMEMBER REPORTS

Councilmember Eiterich said she missed the Chili Challenge, but attended the Arts Council's show on Saturday night and it was phenomenal.

Mayor Sayers thanked Council President Arroyo for filling in at ribbon cuttings for her.

STAFF REPORTS

Todd Pelham, Deputy City Manager, said there would be no Committee of the Whole meeting on October 22nd. He reminded the Governing Body of Unconscious Bias training that would take place October 22nd from 6 PM to 7 PM.

END OF RECORDED SESSION

BUSINESS FROM FLOOR

Jon Robbins, Lenexa Masonic Lodge #135, invited the Governing Body to attend the 58th Annual Smorgasbord and the 150-year re-dedication on October 19th.

Barb McEver, Project 1020, requested that the City Council consider increasing the maximum number of homeless individuals allowed to stay overnight in the shelter to 50 and to reduce the number of staff required between the hours of 11 PM and 6 AM.

ADJOURN

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

The meeting adjourned at 7:55 PM.

STATE OF KANSAS

Tract 31637

COUNTY OF JOHNSON

Line: XQ 20”

ENCROACHMENT AGREEMENT

THIS AGREEMENT, entered into by and between **SOUTHERN STAR CENTRAL GAS PIPELINE, INC.**, (formerly Williams Gas Pipelines Central, Inc., Williams Natural Gas Company, Northwest Central Pipeline Corporation and Cities Service Gas Company), a Delaware corporation, whose mailing address is P.O. Box 20010, Owensboro, Kentucky 42304, hereinafter referred to as "Company", and **City of Lenexa**, whose mailing address is 17101 West 87th Street, Lenexa, Kansas 66219, hereinafter referred to as "Owner".

WHEREAS, Company is the current owner/holder of a valid and subsisting right-of-way(s), easement(s), lease(s), agreement(s) and/or similar rights located in the SW/4 SW/4 of Section 23, Township 12S, Range 24E, Johnson County, Kansas pursuant to the instrument recorded with the Register of Deeds in Johnson County, Kansas and as more fully described on **Exhibit A** (the "Pipeline Easement(s)") for the installation, modification and/or operation of Pipeline Facilities defined, without limitation, as being pipelines currently existing on or in the Pipeline Easement(s), together with all substitutions or replacements thereto and together with all appurtenances thereto, including but not limited to compressor stations, pump stations, valves, meters, tanks, fittings, connections, corrosion control and pressure detection devices, wires, cables, pig traps, and any other appurtenances associated with the pipelines.

WHEREAS, Owner is in possession of leases and/or easement rights and/or owns (the "Owner's Tracts") a portion of which cover the parcels listed on **Exhibit B** (the "Property") for the development, construction, operation, maintenance, repair and replacement of property improvements to be located in SW/4 SW/4 of Section 23, Township 12S, Range 24E, Johnson County, Kansas (the "Project").

Encroachment Agreement between Southern Star Central Gas Pipeline, Inc. & City of Lenexa located in the SW/4 SW/4 of Section 23, Township 12S, Range 24E, Johnson County, Kansas T31637

WHEREAS, Owner has or shall construct certain improvements upon, over or under the Pipeline Easements as part of its Project and as specifically described on **Exhibit C** attached hereto and made a part hereof (collectively referred to herein as the “Encroachments”).

WHEREAS, under the terms of this Agreement, Company is willing to permit said encroachments and,

NOW THEREFORE, Company grants Owner a limited right to encroach upon the Pipeline Easements, subject to the terms and conditions set forth herein; and Owner, in consideration of this limited right of Encroachments, agrees to the following covenants and obligations set forth herein:

1. Owner specifically acknowledges Company’s need for access to its facilities and recognizes its rights under the Pipeline Easements, which, are to remain in full force and effect notwithstanding this Agreement. As consideration for this Agreement, any cost to Owner or damage to the Encroachments resulting from Company’s need to maintain, operate, repair or replace any portion of the Pipeline Facilities, including, but not limited to, costs for the maintenance, replacement or repair of any portion of the Encroachments, will be the sole responsibility of Owner and Company will not, under any circumstances, be responsible for loss or damage to the Encroachments.
2. Owner will cause to be furnished to Company contemporaneously with the execution of this Agreement, detailed plans, including a certified survey, for the construction of the Encroachments upon, over or under the Pipeline Easements. The plans shall be deemed incorporated herein by reference and made a part of this Agreement. Owner agrees that any review or approval by Company of any plans and/or specifications relating to the Encroachments or the identity of any contractors, subcontractors and materialmen is solely for Company’s benefit, and without any representation or warranty whatsoever to Owner with respect to the adequacy, correctness or efficiency thereof or otherwise and it is understood that such Company’s approval does not absolve Owner of any liability hereunder. Further, Owner, in connection with the construction, maintenance and/or removal of the Encroachments, agrees to observe and fully comply with all laws, rules and regulations of the United States, the State of Kansas, and all agencies and political subdivisions thereof. Owner agrees and acknowledges that all work on the easement shall be performed in a workman like manner.
3. This Agreement shall be terminable by Company in the event of Owner’s material noncompliance with the requirements, conditions or specifications of this Agreement and the continuation thereof for a period of thirty (30) days following written notice to Owner or immediately after such written demand by Company if such non-compliance will result in Company’s opinion to a substantial risk to health or safety. Should Company terminate this Agreement, Owner will relocate and/or remove the Encroachments at no expense or risk to Company.

4. No permanent structures, including without limitation landscaping, irrigations systems and signage not explicitly approved by this Agreement shall be allowed within Company's easement.
5. Owner agrees and understands that its work and encroachments are to strictly adhere to Company's Land Use and Developers Handbook located on-line at <https://www.southernstar.com/safety/pipeline-safety/>.
6. Owner will restrict all equipment traffic over the Company's pipeline until the pipeline has undergone a load study conducted and approved by Company. In order for that study to be conducted, Owner agrees to submit to Company (at sscencroachments@southernstar.com) a comprehensive list of equipment to be used on the pipeline easement. Owner understands that it shall be financially responsible for any and all outside engineering services required for Company to perform the Load Study and for complying with the requirements of said Load Study.
7. Indemnity/Hold Harmless/Insurance.
 - (A) To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Company and Company's affiliated companies, partners, shareholders, employees and agents (collectively, "indemnitees") for, from and against any and all claims, liabilities, fines, penalties, costs, damages, losses, liens, causes of action, suits, demands, judgments and reasonably incurred out of pocket expenses (including, without limitation, court costs, reasonable attorneys' fees and costs of investigation) (collectively, "liabilities") of any nature, kind or description of any indemnitee directly or indirectly arising out of, resulting from or related to (in whole or in part): (i) Owner's occupation and use of the existing pipeline easement area; (ii) construction, use, state of repair or presence of the encroachments; or (iii) any act or omission of Owner or Owner's officers, agents, employees, or contractors, or anyone directly or indirectly employed by any of them, or anyone they control or exercise control over, even if such liabilities arise from or are attributed to, in whole or in part, to the negligence of any indemnitee. The only liabilities with respect to which Owner's obligation to indemnify the indemnitees does not apply are liabilities wholly caused by the sole negligence or willful misconduct of an indemnitee.
 - (B) Owner acknowledges that having the encroachments, whether permitted or not, on the existing Pipeline Easements provides some risk that the encroachments may be damaged in the course of Company's operations or activities. Therefore, notwithstanding any other provision in this agreement, to the fullest extent permitted by law, Owner releases the indemnitees from any loss, damage and/or claim from loss or damage to their property, including the encroachments, that

Owner may have against the indemnitees resulting from the activities of Company in the ordinary course of its operations, provided that such release shall not apply to any loss, damage or claim wholly caused by the gross negligence or willful misconduct of an indemnitee.

8. Owner shall notify or cause Company to be notified, at least forty-eight (48) hours prior to the performance of any construction or excavation work upon the Pipeline Easement. Owner covenants and agrees to notify or cause its representative to notify the appropriate state one-call center as required by law no less than forty-eight (48) hours prior to the commencement of excavation in or near the existing pipeline easement area. Company shall have the absolute right to perform any work upon, over or under the Pipeline Easements it reasonably deems necessary for the maintenance or operation of its facilities without prior notice to Owner.
9. During the exercise of its easement rights to construct, maintain and operate the pipeline and appurtenances, in the event Company or its contractors destroy or damage the encroachments herein permitted, including without limitation landscaping and/or irrigation systems, all such damages to said permitted items and all costs thereof shall be the sole responsibility of Owner, its successors and assigns, unless such loss, or cost or expense is directly and solely caused by the gross negligence or willful misconduct of Company, its agents, contractors and/or subcontractors.
10. During the exercise of its easement rights to construct, maintain and operate the pipeline and appurtenances, in the event Company or its contractors restrict or block access to the Encroachment or any of its facilities, Company will not be responsible for providing an alternate source of access, liable for the loss of any and all income and/or any and all damages caused by such activities.
11. Prior to commencement of construction of the above referenced work and Encroachment(s), Owner or Owner's contractor, shall provide Company certificates of insurance expressly naming Company as an additional insured and evidencing coverage in the amount of one million dollars (\$1,000,000.00) general liability, one million dollars (\$1,000,000.00) auto liability, and one million dollars (\$1,000,000.00) workers compensation and employers' liability insurance for the construction area described herein, and containing thirty (30) days prior written notice of cancellation. Certificates of Insurance and this signed Agreement will be submitted to the following address:

Southern Star Central Gas Pipeline, Inc.
Attn: Land Department
4700 State Route 56
P.O. Box 20010
Owensboro, KY 42304

12. No failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.
13. In the event it shall become necessary for either party to commence litigation to enforce any provision of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and attendant expenses in conjunction with such litigation.
14. Owner warrants that it is the current owner of the real property and/or the holder of the easement right(s) described herein and has the right, title and capacity to enter into this Agreement.
15. Under no circumstance shall Company be required to relocate a Pipeline Facility.
16. Owner agrees to abide by the Company's guidelines, procedures and requirements for working in and around Company's easement(s) and/or facilities and failure to do so will be considered a breach of this Agreement.
17. The terms of this Agreement shall constitute covenants running with the land and will be binding upon and inure to the benefit of the parties hereto, or their successors and assigns. The obligations of Owner herein shall survive the termination of this Agreement.

IN WITNESS WHEREOF, we hereunto set our hands and seals on the day and year indicated below our signatures.

COMPANY:

SOUTHERN STAR CENTRAL GAS PIPELINE, INC.

Charles Crews, Executive Vice-President and
Chief Operations Officer

Date: _____

Owner:

Julie Sayers, Mayor of City of Lenexa, Kansas

Date: _____

Encroachment Agreement between Southern Star Central Gas Pipeline, Inc. & City of Lenexa located in the SW/4 SW/4 of Section 23, Township 12S, Range 24E, Johnson County, Kansas T31637

CORPORATE ACKNOWLEDGEMENT

COMMONWEALTH OF KENTUCKY

COUNTY OF DAVIESS

Before me, the undersigned, a Notary Public duly commissioned in and for the county and state aforesaid, on this _____ day of _____, 2024, personally appeared Charles Crews, who being by me duly sworn, did say that he is the Executive Vice President and Chief Operations Officer of Southern Star Central Gas Pipeline, Inc., a corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and said Charles Crews acknowledged said instrument to be the free act and deed of said corporation.

In testimony whereof, I have hereunto set my hand and affixed my official seal at my office in said county and state the day and year last above written.

Notary Public

My Commission Expires _____, 20__.

ACKNOWLEDGEMENT

STATE OF _____

COUNTY OF _____

Before me, the undersigned, a Notary Public duly commissioned in and for the county and state aforesaid, on this _____ day of _____, 2024, personally appeared, Julie Sayers, Mayor of City of Lenexa, Kansas, known to me to be identical person who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free act and deed, for the use and purpose set forth.

Notary Public

My Commission Expires: _____, 20_____.

EXHIBIT A

Acquired by virtue of that certain Easement from D.T. Stayton and Roma Mae Stayton as Grantors to Cities Service Gas Company as Grantee, dated September 30, 1971, recorded in Misc. Book 226, Page 696 in the Register of Deeds Office of Johnson County, Kansas.

Encroachment Agreement between Southern Star Central Gas Pipeline, Inc. & City of Lenexa located in the SW/4 SW/4 of Section 23, Township 12S, Range 24E, Johnson County, Kansas T31637

EXHIBIT B

Part of the Southwest Quarter of the Southwest Quarter, Section 23, Township 12 South, Range 24 East, Johnson County, KS

77th Street Sidewalk Gap between Quivira Road and Garnett Street.

EXHIBIT C

Encroachment Assessment

LINE LETTER	XQ 20"
NAME / DESCRIPTION	77 TH ST SIDEWALK GAP CITY OF LENEXA
LEGAL DESCRIPTION	SW/4 OF S23-T12S-R24E JOHNSON COUNTY, KS
ENGINEER	ANDREW ZELLER
LAND REPRESENTATIVE	TRACY DAY
DATE	OCTOBER 2, 2024

The CITY OF LENEXA will encroach on SOUTHERN STAR's Line XQ 20" easement with the construction of a sidewalk as described and shown on the exhibits below.

Where the sidewalk crosses Line XQ, maintain 48" from top of sidewalk to top of Line XQ. Maintain 10ft distance from edge of sidewalk to pipeline beyond where the sidewalk crosses Line XQ.

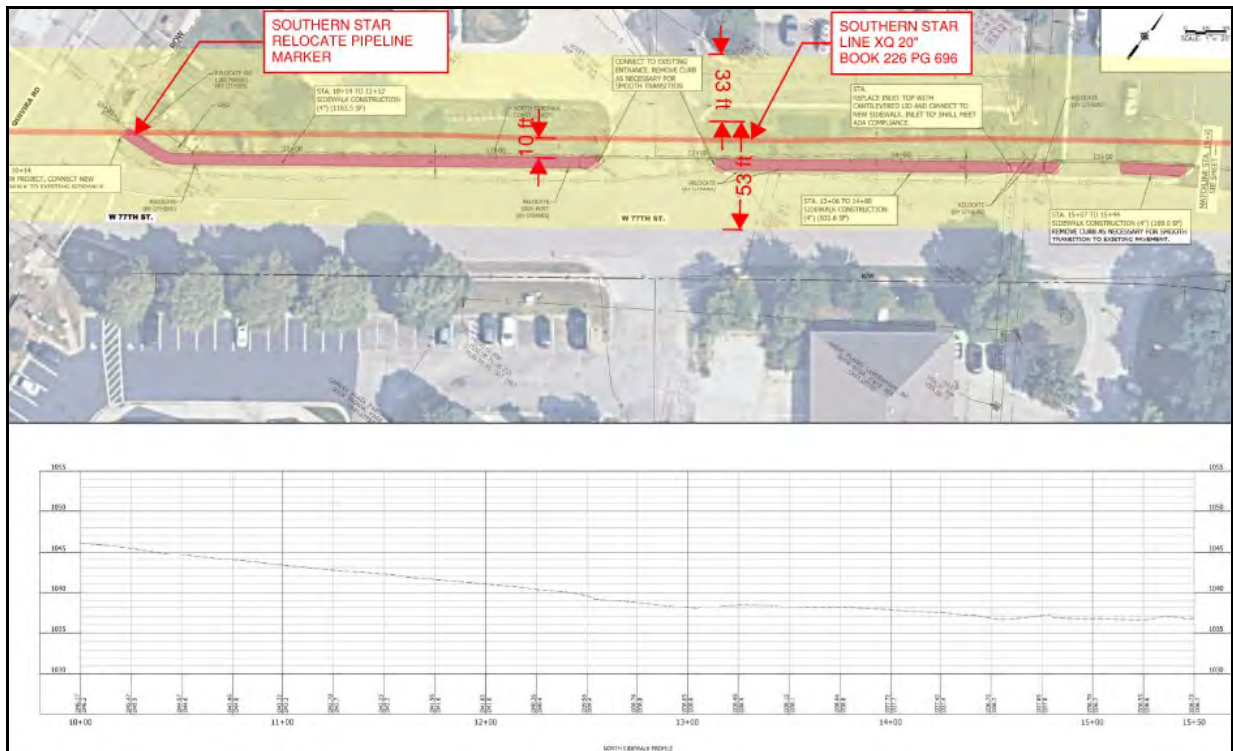


Figure 1. 77th STREET SIDEWALK GAP PROJECT

Encroachment Agreement between Southern Star Central Gas Pipeline, Inc. & City of Lenexa located in the SW/4 SW/4 of Section 23, Township 12S, Range 24E, Johnson County, Kansas T31637

**UNDERGROUND FACILITIES LOCATING AND MARKING
SERVICE AGREEMENT**

THIS CONTRACT is entered into as of _____, 20__ and is by and between **INTEGRITY LOCATING SERVICES, LLC (Contractor)**, and City of Lenexa (**Customer**).

WHEREAS, Customer owns and operates underground facilities in the geographic area described on Exhibit A to this Agreement (**Contract Service Area**); and

WHEREAS, Customer desires to have Contractor provide the necessary labor and equipment to provide certain services relative to locating and marking Customer's underground facilities in the Contract Service Area.

NOW THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Definitions.** In addition to the terms defined above the following capitalized terms when used in this Agreement shall have the following meanings:
 - 1.1 **APWA** means the American Public Works Association and its Underground Utility Location and Coordination Council.
 - 1.2 **At Fault Damages** means Damage to Customer's Facilities caused by an Excavator that occurs with respect to Locatable Facilities where Contractor did not perform the Locate with Reasonable Accuracy.
 - 1.3 **Contract Year** means the 365 (366 if period includes February during a leap year) days beginning with the date this agreement begins and the anniversary date each year after.
 - 1.4 **Customer's Facilities** means any Underground Facilities owned by Customer.
 - 1.5 **Damage to Customer's Facilities** means the penetration or destruction of any protective coating, sheath, housing or other protective facility of underground plant, the partial or complete severance of underground plant, or the rendering of any underground plant partially or completely inoperable.
 - 1.6 **Excavator** means any person who engages directly in excavation.

- 1.7 **High Profile Facilities** means fiber cable, 900 pair or greater, switchgear cable, and 6” main or greater.
- 1.8 **Interruption of Service** means an interruption in the services provided by Customer to its customers arising from a Damage to Customer’s Facilities.
- 1.9 **Locatable Facilities** means Customer’s Facilities that can be field marked with Reasonable Accuracy by using devices designed to respond to the presence of Customer’s Facilities, together with records of sufficient accuracy, but shall specifically not include Unidentifiable Facilities and Unlocatable Facilities.
- 1.10 **Locate** means the completed process of having provided Locate Services at an excavation site.
- 1.11 **Locate Service** means the process of determining the presence or absence of Customer’s Facilities, their conflict with proposed excavations, and the Marking of the proper places or routes of Customer’s Facilities within Reasonable Accuracy limits as required.
- 1.12 **Low Profile Facilities** means any of Customer’s Facilities that are not High Profile Facilities.
- 1.13 **Marking** means the use of stakes and flags, paint strips or other clearly identifiable materials at appropriate distances and at each divergence from a straight line in accordance with the current marking standards of the APWA to show the field location of Underground Facilities accurately.
- 1.14 **Project Locate** means a Locate that requires Contractor to spend more than thirty (30) minutes at the excavation site.
- 1.15 **Reasonable Accuracy** means the placement of appropriate Markings within twenty-four (24) inches of the outside dimensions of both sides of an Underground Facility.
- 1.16 **Restoration Costs** means the actual costs incurred by Customer to repair Damage to Customer’s Facilities arising from At Fault Damages, but shall specifically exclude any Third Party Claims. Restoration Costs is equal to only the actual labor, equipment and material costs incurred by Customer to repair the Damage to Customer’s Facilities. Restoration Costs specifically exclude overhead charges, costs arising from betterment of plant (which shall include, among other things, any upgrade, improvement, reinforcement, enlargement or extension of Customer’s Facilities), costs arising out of collection actions, whether incurred by the Customer or collection agencies.

- 1.17 **Services** mean the services to be provided by Contractor under this Agreement.
- 1.18 **Site Surveillance** means to watch over and protect Customer's Facilities during unusual or extensive excavation projects (i.e. road widening projects, sewer projects, etc.) and providing such continuous on-site Locate Services as may be dictated by the nature and scope of the excavations. Commonly referred to as a "Watchdog" within the industry.
- 1.19 **Third Party Claims** means any claims for losses, fines, penalties, damages or expenses made by a person not a party to this Agreement arising from Damages to Customer's Facilities, including but not limited to, claims as a result of (a) injury to or death of any person, (b) damage to or loss or destruction of any property, or (c) Interruption of Service.
- 1.20 **Underground Facilities** means any item buried or placed below the ground for use in connection with the storage or conveyance of water, sewage, electronic telephonic or telegraphic communications, cablevision, electric energy, petroleum products, gas, gaseous vapors, hazardous liquids or other substance including, but not limited to, pipes, sewers, conduits, cables, valves, lines, wires, manholes, attachments and those parts of poles or anchors below ground.
- 1.21 **Unidentifiable Facilities** means Customer's Facilities that are neither apparent on the records provided by Customer or from a Visual Examination.
- 1.22 **Unlocatable Facilities** means Customer's Facilities whose presence is known either from records provided by Customer or a Visual Examination, but which cannot be field marked with Reasonable Accuracy using standard procedures employed by Contractor.
- 1.23 **Visual Examination** means an attempt to determine the existence of Customer's Facilities at an excavation site by a reasonable visual inspection rather than from Customer's maps and records.

2. Responsibilities of Contractor.

- 2.1 Contractor shall furnish all labor, materials and equipment necessary to perform Locate Services for Customer within the Contract Service Area except for the maps and records to be provided by Customer under Section 3.1. Contractor will receive transmittals directly from the one-call center for the Contract Service Area at no additional cost to Customer.
- 2.2 Upon receipt of a request for a Locate, Contractor will determine whether

a field visit to the excavation site and a Visual Examination is required to determine if a conflict exists between the Customer's Facilities and the proposed excavation. If Contractor determines that no field visit or Visual Examination is necessary, Contractor will proceed under section 2.4 below.

- 2.3 If Contractor determines that there are Locatable Facilities present at the excavation site, it will indicate the presence of those facilities with appropriate Markings.
- 2.4 If Contractor determines that Customer's Facilities are not present at the excavation site, Contractor will either notify Excavator prior to the proposed excavation that Customer's Facilities are not present or mark the excavation site in a manner to indicate that Customer's Facilities are not present at the proposed excavation site.
- 2.5 Customer agrees that Contractor will have the right to screen tickets via prints.
- 2.6 If Contractor determines that there are Unlocatable Facilities at the excavation site, it will notify Customer and Customer will be responsible for determining what course of action should be followed to assure that the Unlocatable Facilities are not damaged by Excavator.
- 2.7 Any maps and records furnished by Customer pursuant to section 3.1 shall remain the property of Customer. Contractor agrees to return all copies of such maps and records to Customer upon Customer's written request or at the termination of this Agreement. Unless such maps and records were previously known to Contractor free of any obligation to keep them confidential, are given to Contractor by a third party not obligated to keep them confidential, or become public without any act or omission of Contractor, Contractor agrees to keep such maps and records confidential and shall use such maps and records only in the performance of this Agreement except upon such terms as may be agreed upon by Customer or as required by law. This obligation of confidentiality shall survive the termination of this Agreement.
- 2.8 Subject to the terms of section 3.2, Contractor shall perform the Services as an independent contractor and as such it has the right to exercise control and supervision of the work and full control over the employment, direction, compensation and discharge of all persons assisting it in performing the Services; that it will be solely responsible for the payment of its employees and for the payment of all federal, state, county and municipal taxes and contributions pertaining thereto; and that it will be responsible for its own acts.

- 2.9 Contractor shall not subcontract the Services or any part of the Services without the prior written approval of Customer, which approval Customer may choose to withhold in its sole discretion.
- 2.10 Contractor shall comply with the provisions of all applicable permits and licenses relative to the services to be performed hereunder. Contractor shall comply with all applicable laws, ordinances and regulations of the United States, the State or States where the Services are performed, and any unit of local government correctly asserting jurisdiction, applicable to the Services (including, but not limited to Worker's Compensation, Unemployment Insurance and Social Security).

3. Responsibilities of Customer.

- 3.1 Customer agrees to provide Contractor with the necessary maps and records to permit Contractor to provide the Locate Services.
- 3.2 Customer agrees that it will reasonably cooperate with Contractor so that Contractor enjoys the same protection under the laws applicable to the Customer regarding Third Party Claims as the Customer would enjoy if it were performing the Services. However, Customer expressly reserves all of its rights and immunities under Kansas law, including but not limited to the Kansas Tort Claims Act, and nothing in this Agreement shall constitute a waiver of those rights and immunities. Furthermore, Customer's obligations under this section shall be subordinate to Customer's right to maintain its rights and immunities under Kansas law, including but not limited to the Kansas Tort Claims Act.

4. Billing

- 4.1 City agrees to pay Contractor for the actual work performed on the Project as further described in Exhibit "B", which is attached hereto and incorporated by reference into this Agreement, the total of which shall not exceed a maximum total fee (the "Fee") of Two Hundred Thousand and NO/100 Dollars (\$200,000.00) This Fee is based on the scope of services set forth in Exhibit "B."
- 4.2 Contractor shall bill City monthly for all services and reimbursable expenses. The bill submitted by Contractor shall itemize the services and reimbursable expenses for which payment is requested. City agrees to pay Contractor within thirty (30) days of approval. Payment by the City may be made using any of the following methods of payment, in its sole discretion; (a) automated clearing house ("ACH") or wire transfer; or (b) for payments under \$2,500, credit/purchasing cards. When utilizing the ACH or wire transfer option, the transaction will occur within the timeframe provided herein with no advance or subsequent notice to the Contractor. Contractor agrees to submit herewith such financial

information as shall be required by City to enable the use of the aforementioned payment methods and to enable the City to properly report such payments as required by federal law.

5. Term and Termination of Agreement

5.1 This Agreement shall be effective as of December 1, 2024 and continue for a period of one (1) year. Upon mutual agreement of the parties, this Agreement may be extended for up to two (2) additional one (1) year terms by written addendum. The City manager is authorized to execute addenda to extend the Agreement, provided the maximum Fee set forth in paragraph 4.1 is not increased.

5.2 Either party to this Agreement can terminate this Agreement upon thirty (30) days prior written notice to the other. Upon such termination the only liability will be that of the Customer for any Services performed by Contractor for all tickets received prior to the effective date of termination. Contractor shall maintain responsibility for any Locate Services performed prior to termination of this Agreement.

6. Investigations of Damage to Customer's Facilities

6.1 Should either party to this Agreement become aware of any Damage to Customer's Facilities that occurs after Contractor has been asked to perform a Locate with respect to the Customer's Facilities, the party learning of the Damage to Customer's Facilities shall promptly notify the other party. This notification may be made orally. Both parties to this Agreement reserve the right and shall be entitled to investigate any reports of Damage to Customer's Facilities.

6.2 Contractor will investigate incidents of Damage to Customer's Facilities and provide a written report of its findings to Customer upon request. Such report will contain Contractor's determination as to whether the Damage to Customer's Facilities constitutes At Fault Damages. Customer shall have sixty (60) days after receipt of Contractor's written report to contest Contractor's conclusion. Unless Customer notifies Contractor in writing within such period that it disputes Contractor's conclusion as to At Fault Damages, Contractor's conclusion with regard to that issue shall be deemed binding with respect to this Agreement. If Customer disputes Contractor's conclusion, the parties will seek to mutually resolve such dispute and if they cannot such dispute will be resolved in accordance with section 11.1.

7. Limitation of Liability and Indemnification of Customer by Contractor

7.1 If Contractor receives a request to provide Locate Services with respect

to Customer's Facilities or provides Site Surveillance and Damage to Customer's Facilities occurs and constitutes an At Fault Damage, then Contractor will be responsible for paying Customer's Restoration Costs. If the Damage to Customer's Facilities is not At Fault Damages or if Customer's Facilities are Unidentifiable Facilities or Unlocatable Facilities, Contractor's only responsibility will be to provide whatever support to Customer it can reasonably provide to establish whether the Excavator or another third party is liable for such Damage to Customer's Facilities. Contractor shall indemnify and hold Customer, its agents, employees, officers, directors and shareholders (**Customer Indemnities**) harmless from and against any and all Third Party Claims to the extent the same arise from At Fault Damages; provided, however, Contractor shall not indemnify Customer Indemnities for Third Party Claims arising from Damages that are not At Fault Damages or damages to Unidentifiable Facilities or Unlocatable Facilities or for Third Party Claims that arise from the gross negligence or willful misconduct of Customer, its agents or employees.

8. Price Revisions

8.1 At the beginning of each Contract Year subsequent to the first Contract Year, the charges for Locate Services set forth on Exhibit B shall be increased by 5.00%.

8.2 Contractor may on a biannual basis adjust fees based upon fluctuation in fuel prices. The adjustment will be based on "U.S. Regular Conventional Retail Gas Prices" from the US Department of Energy site: http://www.eia.doe.gov/oil_gas/petroleum/data_publications/wrgp/mogas_history.html. The average fuel price over the previous 6-months will be reviewed every Contract Year on January 1st and July 1st and pricing will be adjusted when applicable based the average fuel price as outlined in the chart below. There will be no adjustment in fees as long as the average fuel price is at or below \$3.99. For example, if the average fuel price for the previous 6-months is \$4.00 - \$4.49 on July 1, fees will be increased by 1.50% for the next 6-month period through December 31st. If the reviewed average 6-month fuel price (on January 1st or July 1st) drops below \$4.00, the increases will cease to be in effect.

6-month Average Fuel Price per Gallon	Rate Increase
\$4.00 - \$4.49	1.50%
\$4.50 - \$4.99	Additional 1.00%
\$5.00 - \$5.49	Additional 1.00%
\$5.50 +	Additional 1.00%

9. Equal Employment

9.1 Contractor acknowledges that it is an equal opportunity employer. No provisions or application of this Agreement shall cause or result in discrimination against any employee or applicant for employment in his or her hiring, tenure, or condition of employment because of race, color, religion, sex or national origin.

10. Insurance

10.1 Contractor provides the following insurance coverage:

<u>INSURANCE COVERAGE:</u>	<u>LIMITS:</u>
Worker's Compensation	Statutory Limit
Employers' Liability	
Each Accident	\$1,000,000
Disease, Policy Limit	\$1,000,000
Disease, Each Employee	\$1,000,000
Comprehensive General Liability including Contractual Liability	\$1,000,000 Each Occurrence
Occurrence Basis BI & PD	\$1,000,000 Each Occurrence
	\$2,000,000 General Aggregate (Each occurrence)
Personal Injury	\$1,000,000 Each Occurrence
Products & Completed Operations	\$2,000,000 Each Occurrence
Automobile Liability	
BI & PD Combined	\$1,000,000 Each Occurrence
Umbrella	\$5,000,000

11. Dispute Resolution

The parties shall attempt in good faith to resolve all disputes (**Controversy**) promptly by negotiation, as follows. Any party may give the other party written notice of any Controversy not resolved in the normal course of business. Executives of both parties at levels one level above the personnel who have previously been involved in the

Controversy shall meet at a mutually acceptable time and place within ten (10) days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the Controversy. If the matter has not been resolved within thirty (30) days from the referral of the Controversy to senior executives, or if no meeting of senior executives has taken place within fifteen days after such referral and if the Controversy is over the amount of Restoration Costs owed by Contractor to Customer, the parties shall simply split the difference between their respective positions. If more than two Controversies within a given contract year result in a split of the difference under the preceding sentence or if a Controversy involves more than simply a dispute about Restoration Costs, the parties hereto reserve to themselves the right to litigate any such disputes in an appropriate forum. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator shall be given at least three working days' notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and State rules of evidence.

12. Miscellaneous

- 12.1 Neither party shall be deemed to be in default of this Agreement to the extent that any delay or failure to perform its obligations, other than the payment of money, results from any cause beyond its reasonable control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions or strikes. If Contractor claims that it is delayed by such a cause, it shall notify Customer immediately and Customer shall be entitled to obtain the Services from any other person until such cause terminates as evidenced by a notice from Contractor that such cause has ended.
- 12.2 In the event of a direct conflict between the body of this Agreement and the terms of the Exhibits hereto, the terms in the body of this Agreement will govern.
- 12.3 This Agreement may only be modified or amended by a written instrument signed by an authorized representative of Contractor and Customer. The term "Agreement" shall include any such future amendments or modifications.
- 12.4 This Agreement shall constitute the entire contract between the parties with respect to the subject matter of this Agreement. Customer and Contractor each represent that it has read this Contract, agrees to be bound by all terms and conditions contained in this Agreement, and acknowledge receipt of a signed, true exact copy of this Agreement.

- 12.5 Anti-Discrimination: Contractor agrees to comply with all applicable state and federal antidiscrimination laws. Contractor specifically agrees to observe and comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and shall not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry. The Contractor shall not discriminate against any person in the performance of work under this Agreement because of sexual orientation or gender identity. Contractor shall include in all solicitations or advertisements for employees, the phrase "equal opportunity employer". Furthermore, Contractor agrees to comply with the reporting requirements set out at K.S.A. 44-1031, and amendments thereto and to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor. Failure to comply with the reporting requirements identified above or Contractor has been found guilty of a violation of the Kansas Act Against Discrimination under decision or order of the state commission which has become final shall constitute a breach of the present Agreement and the Agreement may be cancelled, terminated or suspended, in whole or in part, by the City.

The provisions of this paragraph are not applicable to a Contractor who employs fewer than four employees during the term of this Agreement or whose agreements with the City cumulatively total \$5,000 or less during the fiscal year.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives.

[Remainder of the page intentionally left blank. Signatures follow.]

City of Lenexa

By: _____
Julie Sayers, Mayor

ATTEST:

Jennifer Martin, City Clerk

APPROVED AS TO FORM:

Steven Shrout, Assistant City Attorney

City of Lenexa
17101 W 87th Pkwy
Lenexa, KS 66219

**INTEGRITY LOCATING
SERVICES, LLC ("Contractor")**

By: Brandie Ricks
(Signature)

Brandie Ricks

(Please print)

Title: Director of Finance & Accounts

City of Lenexa

Exhibit A

Contractor Locating Services, Inc. shall provide services in the service territory of City of Lenexa, Kansas.

Exhibit B
Scope of Services (14 pages)

**2024 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
CFDA No. 14.218 GRANT AGREEMENT BETWEEN
JOHNSON COUNTY, KANSAS & City of Lenexa
(2024-09)**

THIS SUBRECIPIENT AGREEMENT, (hereafter "AGREEMENT") is between Johnson County, Kansas, ("County" or as "Grantee"), with offices at 111 S Cherry Ste 2000, Olathe, KS 66061 and City of Lenexa ("Subrecipient"), with offices at 17101 West 87th Street Parkway, Lenexa, Kansas 66219.

Recitals

- A. The COUNTY has entered into a Grant Agreement with the United States Department of Housing and Urban Development, hereinafter referred to as ("HUD"), for Federal Assistance under Title I of the Housing and Community Development Act of 1974, as amended;
- B. The County is obligated to require the compliance with certain terms and conditions therein by any third-party with whom the County contracts for the use of funds provided;
- C. The County has authorized the use of funds provided in conjunction with said Grant Agreement for a Community Development Block Grant ("CDBG") project (the "Project") to be administered by the Subrecipient pursuant to the provisions of Title I of the Housing and Community Development Act of 1974, as amended;
- D. The County has determined the Project meets the national objective of benefitting low- and moderate-income persons;
- E. The County has also determined the Project is an eligible **Public Facility** project, under Title I of the Housing and Community Development Act of 1974, as amended; and
- F. The County requires, as a condition precedent to the County's requesting from HUD a release of funds for said Project the execution of this Subrecipient Agreement.

The Parties understand and mutually agree as follows:

ARTICLE I
Purpose and Scope of Services

1.0. Purpose and Scope of Service

The Subrecipient agrees to perform or carry out the Project described in Subrecipient's May 23, 2023, Application for CDBG funding, which is incorporated herein by reference and kept on file in the County's Community Development office. The Subrecipient will use CDBG funds for remove existing high-pressure sodium (HPS) streetlight fixtures and outdated poles and replace with high efficiency LED streetlights and new poles that meet current illumination standards for pedestrians and vehicles..

ARTICLE II Term

2.0. Term.

2.1. The term for activities assisted by this Subrecipient Agreement shall commence on January 1, 2024 and be completed by December 31, 2024.

2.2. Termination of Convenience. Either party may terminate this Subrecipient Agreement in whole, or in part, when both Parties agree that the continuation of the Project would not produce beneficial results commensurate with the further expenditures of funds. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The Subrecipient shall not incur new obligations for the terminated portion after the effective date of termination and shall cancel as many outstanding obligations as possible. The Subrecipient shall be allowed full credit for noncancelable obligations, properly incurred prior to termination.

2.3. Termination for Cause. If the County determines that the Subrecipient has violated or failed to comply with any of the covenants, conditions, agreements or stipulations of this Subrecipient Agreement, the County shall promptly notify the Subrecipient in writing of the determination and may, at its option, take any or all of the following actions:

2.3.1. Terminate this Subrecipient Agreement by including in the above notice the reasons for the termination, together with the effective date;

2.3.2. Suspend payments under this Subrecipient Agreement by including in the above notice the effective date and specifying what actions must be taken as a condition precedent to the resumption of payments. In such event, just and equitable compensation shall be given at the end of the suspension period for any work satisfactorily completed by the Subrecipient during the suspension period;

2.3.3. Suspend this Subrecipient Agreement by including in the above notice the effective date and specifying the actions that must take place as a condition precedent to the resumption of performance under this Subrecipient Agreement. In such

event, the County shall incur no financial liability under this Subrecipient Agreement or otherwise at law for any services rendered during the suspension period.

2.3.4. The County will provide the Subrecipient an opportunity to request a hearing, appeal, or other administrative proceeding to which the Subrecipient is entitled.

2.4. The action of the County in suspending payments or this Subrecipient Agreement or in terminating this Subrecipient Agreement shall not constitute a waiver of any claim or remedy which the County may otherwise have arising out of this Subrecipient Agreement.

ARTICLE III **Compensation**

3.0. Compensation

3.1. Total compensation. The County agrees to provide funding to the Subrecipient in an amount not to exceed \$190,493.76 for eligible expenses as designated in Article 3.5.

3.1.1. The County shall not authorize the Subrecipient to draw on funds unless the funds are provided for payment for work, as set forth in the Subrecipient's Application. The authorization provided by this section shall be limited by the amount established in Article 3.1.

3.2. Program Income. The Subrecipient agrees to return Program Income to the County except where the Subrecipient can demonstrate its ability to use the income in accordance with requirements of Title I of the Housing, and Community Development Act of 1974, as amended. For purposes of this Subrecipient Agreement, Program Income includes, but is not limited to: proceeds from the disposition by sale or long term lease of real property purchased with CDBG funds; income from the temporary use or leasing of properties acquired with CDBG funds pending the disposition or use for which the property was acquired; payments of principal and interest on loans made using CDBG funds; and, interest earned on Program Income pending disposition of such income.

3.2.1. Program Income shall be recorded as part of the financial transaction of the grant program. Program Income received before expiration of this Subrecipient Agreement may be retained by the Subrecipient if the Program Income is treated as additional CDBG funds subject to all applicable requirements governing the use of CDBG funds and that such Program Income shall affect withdrawals of grant funds as follows:

3.2.1.1. Program Income in the form of repayments to or interest earned on a revolving fund shall be disbursed before additional cash withdrawals are made.

3.2.1.2. All other Program Income shall be disbursed for eligible activities before additional cash withdrawals are made.

3.2.1.3. Program Income on hand at the expiration of this Subrecipient Agreement, shall be returned to the County.

3.3. **Budget.** All budget modifications must be approved prior to incurring expenses.

Personnel (excluding general administration costs):	\$0
Equipment:	\$0
Supplies:	\$0
Space Rent/ Utilities:	\$0
Direct Financial Assistance:	\$0
Other:	\$330,000
Total Project Expenses:	\$330,000

ARTICLE IV
Responsibilities

4.0. Responsibilities

4.1. The County's Responsibilities

4.1.1. The County agrees to provide to the Subrecipient authorization to draw upon funds provided to the County pursuant to a Grant Agreement between the County and HUD, provided that no draft shall be honored by the County until HUD has released funds for Subrecipient's CDBG Project. Said authorization shall be subject to the terms and conditions of this Subrecipient Agreement, any applicable laws, regulations, and requirements of HUD, which are now or hereafter in effect, and all rules, regulations and requirements issued by the County.

4.1.2. The County agrees to provide funding for expenditures of the Subrecipient under this Subrecipient Agreement in the manner set forth in the County Financial Management Requirements for the Community Development Block Grant Program as provided in the CDBG Handbook at <https://www.jocogov.org/department/community-development/community-development-block-grant>.

4.1.3. The County agrees to authorize the Subrecipient to draw on funds when the funds are to provide for payment for work, as set forth in the Subrecipient's Application.

4.1.4. The County agrees to process a request for final payment of expenditures after the Subrecipient has supplied a fully completed Project Beneficiary Information form supplied by the County's Community Development office.

4.1.5. The County may review program costs incurred by the Subrecipient. Upon such review the County shall disallow any items of expense which are not determined to be allowable or are determined to be more than approved expenditures. If the County disallows a cost, the County may deduct the amount of disallowed cost from any future payments under this Subrecipient Agreement or require that the Subrecipient refund the amount of the disallowed cost(s) for as long as the records are maintained.

4.1.6. Notwithstanding any other provision of this Subrecipient Agreement to the contrary, it is understood and agreed by the parties hereto that the County's obligation to provide funding to the Subrecipient under this Subrecipient Agreement is expressly contingent upon the level of funding made available to the County from HUD. Should such funding level be reduced by HUD or no longer be made available to the County from HUD sufficient to support the amount of funding to be provided by the County under this Subrecipient Agreement then this Subrecipient Agreement may be amended to reflect such reduction in funding or, at the option of the County, may be terminated upon written notice to the Subrecipient stating the effective date of termination. Should either event occur, it is understood and agreed by the parties that the County shall not be obligated to provide funding beyond the amended amount or beyond any amount provided to the Subrecipient by the County prior to said date of termination.

4.1.7. Environmental Standards (24 CFR Part 570, Subpart K, 570.604). The Subrecipient does not assume either the County's environmental responsibilities or the County's responsibility for initiating the review process under the provisions of 24 CFR Part 52. See 24 CFR Part 570, Subpart J, 503(b)(5)(i)(ii).

4.2. The Subrecipient's Responsibilities

4.2.1. The Subrecipient is responsible for understanding the requirements of the state and federal laws cited herein and incorporated by reference as if set forth fully herein.

4.2.2. The Subrecipient agrees to submit, at a minimum, quarterly progress reports and reimbursement requests on forms supplied by the County. The reports are due to the County's Community Development office on April 10th, July 10th, and October 10th.

4.2.3. The Subrecipient further agrees to submit a completed Project Beneficiary Information Form for the full program year, supplied by the County's Community Development office. This report is due to on January 5, 2025.

4.2.4. If it is known or anticipated that the activity funded by this grant will not be closed out by December 31, 2024, a request for extension must be made in writing to the County's Community Development Coordinator. The request will explain the reason(s) why the activity will not be completed by December 31, 2024 and provide a firm timeline for completion. If a request for an extension is not submitted, no future reimbursements will be made until a request for extension is submitted. The request must be received by December 6, 2024 and signed by the Mayor or Department Head.

4.2.5. The Subrecipient agrees that notwithstanding any other provision of this Subrecipient Agreement, any requirements of amendments to Title I of the Housing and Community Development Act of 1974, as amended, which supersede or are not provided for in the HUD program regulations shall govern the use of the Assistance provided until revised regulations implementing such requirements are published for effect.

4.2.6. Subrecipients who expend \$750,000 or more in a year in federal awards will submit a copy of the Subrecipient's Annual Audit Report for the fiscal year(s) covered by this Subrecipient Agreement and any extensions. Such audit report must be prepared in accordance with 2 CFR Part 200.

4.2.7. Affirmatively Furthering Fair Housing (24 CFR Part 570, Subpart k 570.601). The Subrecipient shall comply with Public Law 88-352 and Public Law 90-284 and Executive Order 11063, as amended by Executive Order 12259.

4.2.8. Nondiscrimination (24 CFR Part 570, Subpart K, 570.602). The Subrecipient shall comply with Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, and any other applicable federal, state or local law, rule or regulation governing nondiscrimination.

4.2.9. Labor Standards (24 CFR Part 570, Subpart K, 570.603). The Subrecipient shall comply with Section 110(a) of Title I of the Housing and Community Development Act of 1974, as amended, which requires that all laborers and mechanics employed by contractors or subcontractors on construction work, that is valued in excess of \$2,000, assisted under this Subrecipient Agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 USC 276a to 276a-5) and shall receive overtime compensation in accordance with and subject to the provisions of the Contract Work Hours and Safety Standards Act (40 USC 327-332), and the contractors and subcontractors shall comply with all regulations issued pursuant to these Acts and with other applicable federal laws and regulations pertaining to labor standards. Residential rehabilitation in structures with less than eight (8) units is exempted from these labor standards.

4.2.10. National Flood Insurance Program (24 CFR Part 570, Subpart K, 570.605). The Subrecipient shall comply with Section 202(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) and the regulations in 44 CFR parts 59 through 79. Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with Assistance provided under this Subrecipient Agreement shall contain, if such land is located in an area identified by the Secretary as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 USC 4001 et seq., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with Assistance provided under this Subrecipient Agreement.

4.2.11. Displacement, Relocation, Acquisition, and Replacement of Housing (24 CFR Part 570, Subpart K, 570.606). The Subrecipient shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1990 as amended. The Subrecipient agrees for the duration of this Subrecipient Agreement to:

4.2.11.1. Ensure that owners of real property acquired for federal and federally assisted projects are treated fairly and consistently; encourage and expedite acquisition by agreements with such owners; minimize litigation and relieve congestion in the courts; and promote public confidence in federal and federally assisted land acquisition programs; and

4.2.11.2. Comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1990 ("the Act"), as required under Section 570.606(a) (Title I of the Housing and Community Development Act of 1974, as amended) and federal implementing regulations; the requirements of Section 570.606(b) governing the residential anti-displacement and relocation assistance plan under Section 104(d) of the Act (including a certification that such a plan is being followed; the relocation requirements of Section 570.606(c) governing displacement subject to Section 104(K) of the Act; and the relocation requirements of Section 570.606(d) governing optional relocation assistance under Section 105(a)(11) of the Act.

4.2.12. Equal Employment (24 CFR Part 570, Subpart K, 570.607). The Subrecipient shall comply with Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086 and 12107, Equal Employment Opportunity. During the performance of this Subrecipient Agreement, the Subrecipient agrees as follows:

4.2.12.1. The Subrecipient shall not discriminate against any employee because of race, color, religion, sex, age, or national origin. The Subrecipient

shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin, handicap, or familial status. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

4.2.12.2. The Subrecipient shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. The Subrecipient shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, national origin, handicap or familial status.

4.2.12.3. The Subrecipient shall incorporate foregoing requirements in all contracts that are deemed necessary to carry out project activities.

4.2.12.4. The Subrecipient agrees that it will assist and cooperate actively with the Secretary of Labor and the County in obtaining the compliance of contractors and subcontractors with the above equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the Secretary in the discharge of its primary responsibility for securing compliance.

4.2.13. Contracting Opportunities (24 CFR Part 570, Subpart K, 570.607). The Subrecipient shall comply with requirements of Section 3, of the Housing and Urban Development Act of 1968 (12 USC 1701U), as amended, the HUD regulations issued pursuant thereto at 24 CFR Part 135, and any applicable rules and orders of HUD issued thereunder. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project. The Subrecipient shall cause or require to be inserted in full in all contracts and sub-contracts for work financed in whole or in part with Assistance provided under this Subrecipient Agreement, the Section 3 clause set forth in 24 CFR 135.

4.2.14. Lead-Based Paint (24 CFR Part 570, Subpart K, 570.608). In the construction or rehabilitation of residential structures with Assistance provided under this Subrecipient Agreement the Subrecipient will comply with the Lead-Based Paint Regulations issued pursuant to the Lead-Based Paint Poisoning Prevention Act (42 USC 4832, et seq.) and the Lead Safe Housing Rule (24 CFR 35).

4.2.15. Use of Debarred, Suspended or Ineligible Contractors or Subrecipients (24 CFR Part 570, Subpart K, 570.609). The Subrecipient agrees that it

will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contract and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of equal opportunity clause as may be imposed upon contractors and subcontractors by the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order.

4.2.16. Uniform Administrative Requirements and Cost Principles (24 CFR Part 570, Subpart K, 570.610). The Subrecipient shall comply with the policies, guidelines, and requirements of 2 CFR Part 200.

4.2.17. Conflict of Interest (24 CFR Part 570, Subpart K, 570.611).

4.2.17.1. Interest of Certain Federal Officials. No member of or Delegate to the Congress of the United States, and no Resident Commissioner, shall be admitted to any share or part of this Subrecipient Agreement or to any benefit to arise from the same.

4.2.17.2. Interest of Officers, Employees or Agents of Subrecipient, Members of Local Governing Body, or other Public Officials. No officer, employee or agent of the Subrecipient, or its designee, no officer, employee or agent of the County who exercises any functions or responsibilities with respect to the program during his or her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Subrecipient Agreement. The Subrecipient shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

4.2.17.3. Prohibition Against Payments of Bonus or Commission. The Assistance provided under this Subrecipient Agreement shall not be used in the payment of any bonus or commission for the purpose of obtaining HUD approval of the application for such Assistance, or HUD approval of applications for additional Assistance, or any approval or concurrence of HUD required under this Subrecipient Agreement, Title I of the Housing and Community Development Act of 1974, as amended, or HUD regulations with respect thereto; provided, however, that reasonable fees or bonafide technical, consultant, managerial or other services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

4.2.18. Executive Order 12372 (24 CFR Part 570, Subpart K, 570.612). Executive Order 12372, Intergovernmental Review of Federal Programs, applies to a CDBG funded activity only where the Subrecipient proposes to use funds for the planning or construction (reconstruction or installation) of water or sewer facilities. Such

facilities include storm sewers as well as all sanitary sewers, but do not include water and sewer lines connecting a structure to the lines in the public right-of-way or easement.

4.2.19. Eligibility Restrictions for Certain Residents Aliens (24 CFR Part 570, Subpart K, 570.613). Certain newly legalized aliens, as described in 24 CFR Part 49, are not eligible to apply for benefits under covered activities. Covered activities mean either:

4.2.19.1. Activities that have income eligibility requirements limiting the benefits exclusively to low- and moderate-income persons; or

4.2.19.2. Activities that are targeted geographically or otherwise to primarily benefit low- and moderate-income persons (excluding activities serving the public at-large, such as sewers, roads, sidewalks, and parks), and that provide benefits to persons based on an application.

4.2.20. Architectural Barriers Act and the Americans with Disabilities Act (24 CFR Part 570, Subpart K, 570.6140). The Subrecipient shall comply with the Architectural Barriers Act of 1968 and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 CFR Part 40) for residential structures, and Appendix A to 41 CFR Part 101-19, subpart 101-19.6. The Subrecipient shall comply with the Americans With Disabilities Act which provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications.

4.2.21. Build America, Buy America Act enacted under Division G, Title IX of the Infrastructure Investment and Jobs Act (IIJA, Pub. L. No. 117-58) The Subrecipient must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Subrecipient' infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

4.2.22. Records. The Subrecipient shall maintain records with respect to all matters covered by this Subrecipient Agreement. At a minimum the following records will be maintained in a file for the CDBG funded project:

4.2.22.1. Citizen Participation

4.2.22.2. Subrecipient Applications

4.2.22.3. Written agreement(s)

- National Objective
- 4.2.22.4. Records demonstrating that the activity meets a
 - 4.2.22.5. Income Eligibility Records
 - 4.2.22.6. Project Beneficiary Forms
 - 4.2.22.7. Financial statement and records
 - 4.2.22.8. Purchasing records
 - 4.2.22.9. Audits
 - 4.2.22.10. Fair housing and equal opportunity records
 - 4.2.22.11. Construction contracts and related documents
 - 4.2.22.12. Draw down requests (with source documentation, including invoices, purchase orders, etc.)
 - 4.2.22.13. Monitoring reports and correspondence
 - 4.2.22.14. Such records shall be maintained for a period of five (5) years after the receipt of final payment under this Subrecipient Agreement.
 - 4.2.22.15. Financial Management, Audit and Review.

4.2.23. The Subrecipient agrees that the County, the Department of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the Subrecipient which are directly pertinent to this Subrecipient Agreement for the purpose of making audit, examination, excerpts, and transcripts for as long as the records are maintained.

4.2.24. The Subrecipient agrees to allow the County or its designee to make periodic project site visits to assess the progress of the project and to report such progress.

4.2.25. The Subrecipient agrees to reimburse or return to the County those funds which have been disbursed under this Subrecipient Agreement for the performance of the Project listed herein should the Subrecipient default on any of the provisions listed herein or should the County decide to terminate this Subrecipient Agreement for cause.

4.2.26. The Subrecipient agrees to maintain financial records in accordance with generally accepted accounting principles and to make all such records available to HUD and/or the County for inspection upon request. The Subrecipient further agrees to

maintain applicable financial management standards prescribed in 2 CFR Part 200 as further defined at 24 CFR 570.502(a):

4.2.26.1. Records that identify adequately the source and application of funds for grant-supported activities. These records shall contain information pertaining to Federal awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

4.2.26.2. Effective control over and accountability for all funds, property, and other assets. Subrecipients shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

4.2.26.3. Procedures for determining reasonableness, allowability and allocation of costs in accordance with 2 CFR Part 200.

4.2.26.4. Accounting records that are supported by source documentation.

4.2.26.5. A systematic method to assure timely and appropriate documentation.

4.2.27. Reversion of Assets. Upon expiration of this Subrecipient Agreement, the Subrecipient shall transfer to the County any CDBG funds on hand at the time of expiration of this Subrecipient Agreement and any accounts receivable attributable to the use of CDBG funds. Additionally, any real property under control of the Subrecipient that was acquired or improved in whole or in part with CDBG funds more than Twenty-Five Thousand Dollars (\$25,000.00) shall either be:

4.2.27.1. Used to meet one of the national objectives until five (5) years after expiration of this Subrecipient Agreement, or for such longer period as determined to be appropriate by the Subrecipient; or

4.2.27.2. Disposed of in a manner that results in the County being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to the expenditures of non-CDBG funds for acquisition of, or improvement to, the property.

4.2.28. Obligations of the Subrecipient with Respect to Certain Third Part Relationships. The Subrecipient shall remain fully obligated under the provisions of this Subrecipient Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Project with respect to which Assistance is being provided under this Subrecipient Agreement to the Subrecipient.

4.2.29. Any subcontractor shall protect itself, the Subrecipient, and the County for the claims and damages due to personal injury including death as well as

claims of property damage that may arise in the work. For construction or facility improvement, the Subrecipient shall require contractors to comply with the requirements of 24 CFR 85.36 (h) (1 through 3) or 2 CFR Part 200 as applicable.

ARTICLE V **Special Terms**

5.0. Special Terms

5.1. This Agreement references multiple state and federal laws and regulations by name and by number, which are readily available online. The laws and regulations cited herein are incorporated by reference as if they were set forth fully herein.

5.2. Definitions. Except to theme extent modified or supplemented by the Grant Agreement, any term defined in Title I of the Housing and Community Development Act of 1974, as amended, or the HUD Community Development Block Grant Regulations at 24 CFR Part 570, shall have the same meaning when used herein:

5.2.1. Applications. All papers, documents, exhibits, maps, etc., submitted by the Subrecipient's Project as part of the County's CDBG Program, and any amendments, supplements, or revisions thereto submitted prior to the County seeking from HUD a release of funds for said projects.

5.2.2. Assistance. The grants and any loans secured by loan guarantees provided under this Subrecipient Agreement.

5.2.3. Assurances. The same certifications and assurances submitted by the County with its grant application pursuant to the requirements of 24 CFR Part 570.

5.2.4. Program. The Community Development Block Grant programs, projects, or other activities including the administration thereof, with respect to which Assistance is being provided under the Subrecipient Agreement.

5.2.5. Program Income. Gross income received by the Subrecipient directly generated from the use of CDBG funds.

5.2.6. Project. The activities outlined by the Subrecipients application and published by the County in its 2024 Action Plan for uses of Community Development Block Grant funds.

5.2.7. Subrecipient. Each entity that receives funding pursuant of this Subrecipient Agreement.

5.2.8. Household. All persons occupying a housing unit. The occupants may be a family, as defined in 24 CFR 5.403; two or more families living together; or

any other group or related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity or marital status.

ARTICLE VI **General Terms**

6.0. General Terms

6.1. Amendments. This Agreement may be amended by supplemental writing signed by both Parties.

6.2. Assignment. The Subrecipient's rights, obligations, and duties under this Subrecipient Agreement shall not be assigned or transferred in whole or in part without prior written agreement by the County.

6.3. Choice of Law. This Agreement shall be interpreted under and governed by the laws of the State of Kansas. The parties agree that any dispute or cause of action arising in connection with this Agreement will be brought in the district court of Johnson County, Kansas.

6.4. Compliance with Laws. The Subrecipient and County shall keep informed of and comply with all applicable federal, state, and local laws and regulations in the performance of this Agreement.

6.5. Counterparts and Electronic Delivery. This Agreement may be executed in one or more counterparts, each of which will for all purposes be deemed an original and all of which will constitute the same agreement. All such counterparts shall be deemed an original, shall be construed together, and shall constitute one and the same instrument. Signatures to this Agreement transmitted by any electronic means intended to preserve the original graphic and pictorial appearance of this Agreement shall have the same effect as physical delivery of the paper document bearing original signature.

6.6. Entire Agreement. This Agreement which consists of 15 pages, expresses the complete understanding of the Parties with respect to the subject matter and supersedes all prior proposals, agreements, representations, and understandings.

6.7. Notice. All notices arising out of, or from, the provisions of this Agreement shall be in writing and given to the Parties at the address provided under this Agreement, either by regular mail, facsimile, e-mail, or delivery in person.

If to the County:

Community Development Coordinator
111 South Cherry, Ste. 2000
Olathe, KS 66061

If to the Subrecipient:

City of Lenexa Engineer/Deputy
Director
17101 West 87th Street Parkway
Lenexa, Kansas 66219

6.8. Open Records. The terms, conditions, requirements, and obligations set forth in this Agreement shall be subject to the Kansas Open Records Act, K.S.A. 45-215 et seq., any applicable federal or state laws, or court order.

6.9. Representative's Authority to Contract. By signing this Agreement, the representative of the Subrecipient thereby represents that such person is duly authorized by the Subrecipient to authorize this Agreement on behalf of the Subrecipient and that the Subrecipient agrees to be bound by the terms thereof.

IN WITNESS WHEREOF, The County and the Subrecipient have caused this Agreement to be executed in triplicate by their respective authorized representatives.

JOHNSON COUNTY



Penny Postoak Ferguson,
County Manager

Date: 10/10/24

CITY OF LENEXA

Name: _____

Title: Mayor

Date: _____

APPROVED AS TO FORM



Assistant County Counselor



City of Lenexa Quarterly Financial Report (Quarter Ending 09/30/2024)

Prepared by the Finance Department

November 5, 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 09/30/2024, the City's key revenues increased by \$2.1 million (2%) compared to revenue collections for the same period in 2023. The revenue change is primarily due to increased receipts of City property 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

Status	Indicator	Comments
	Property Taxes (current)	Property tax revenues increased 6% (compared to the same time period in 2023) & exceeds the budget estimate.
	Sales Tax - City	City sales tax revenues increased 1% & are projected to meet the budget estimate.
	Sales Tax - County	County sales tax revenues decreased 1% & are projected to meet the budget estimate.
	Compensating Use Tax - City	City use tax revenues increased 2% & are projected to meet the budget estimate.
	Compensating Use Tax - County	County use tax revenues increased 1% & are projected to meet the budget estimate.
	Franchise Tax - Electric	Franchise tax (electric) revenues decreased 2% & are projected to meet the budget estimate.
	Franchise Tax - Gas	Franchise tax (gas) revenues decreased 23% & exceeds the budget estimate.
	Stormwater Service Charges	Stormwater Service Charges decreased 0.2% & are projected to meet the budget estimate.

REVENUE INDICATORS

Collections for the City's key revenue sources increased by \$2.1 million (2%) as of 09/30/2024 compared to 09/30/2023.

Total property tax collections are \$42.3 million as of 09/30/2024 (104% of the 2024 budget estimate), which is \$2.3 million higher (6%) than collections in 2023.

City sales tax revenues are \$18.4 million for 2024, which is \$147,700 higher (1%) than collections in 2023. County sales tax revenues are \$8.8 million for 2024 which is \$79,000 lower (1%) than collections in 2023.

Gas Franchise tax revenues are \$1.3 million for 2024, which is \$381,000 lower (23%) than collections in 2023.

Stormwater service charges are \$6.5 million for 2024, which is \$15,000 lower (0.2%) than service charges in 2023.

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



EXPENDITURE INDICATORS

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	Operating Expenditures - General Fund	General Fund operating expenditures increased 8% & are projected to be within the budget estimate.
	Operating Expenditures - Stormwater Fund	Stormwater Fund operating expenditures increased 10% & are projected to be within the budget estimate.
	Debt Service Expenditures - All Funds	Debt service expenditures decreased 3% & 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 8% as of 09/30/2024 compared to 09/30/2023 & are 73% 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 66% of the 2024 budget estimate. The increase is primarily due to higher personnel costs.

Debt service expenditures decreased by 3% compared to 2023 & are 98% of the 2024 budget estimate (debt service expenditures reflect interest payments made on 3/1/2024 and principal payments and interest payments made on 9/1/2024).

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



RESERVE POLICY INDICATORS

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	General Fund	The current General Fund reserve balance is 51% 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 42% of budgeted expenditures/transfers. This percentage exceeds the 10% minimum reserve target established by policy.
	Stormwater Fund	The current Stormwater Fund reserve balance is 113% 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 134% 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 325% 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 09/30/2024 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 were 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 1.01% as of September 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 an 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 1.01% - the rating agencies consider this to be manageable.



INVESTMENT INDICATORS (operating portfolio)

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	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 4.365% is below the 4.73% benchmark.
	Current yield vs. long-term portfolio rate of return benchmark	Current investment yield of 3.884% is below the 3.98% 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 09/30/2024 short-term portfolio rate of return (including cash equivalents) is 4.365% compared to the benchmark (3-month Treasury yield) of 4.73%. The 09/30/2024 long-term portfolio rate of return is 3.884% compared to the benchmark (1-year Treasury yield) of 3.98%.

As of 09/30/2024, the unrealized gain on the City's investment portfolio is \$1,609 (this means the City would gain \$1,609 compared to the book value of the investments if all the securities were sold in the open market on 09/30/2024). 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 \$145.4 million as of 09/30/2024. 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 \$146.4 million as of 09/30/2024, compared to a \$197.6 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 \$93.4 million as of 09/30/2024, compared to a \$62.2 million average for 2019 thru 2023.
	Apartment Building Permits	Total valuation of apartment building permits is \$53.6 million as of 9/30/2024, compared to a \$38.1 million 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 \$146.4 million as of 09/30/2024 compared to an average of \$197.6 million in the same time period for 2019 thru 2023. Single family residential permit valuation is \$93.4 million for 2024 compared to an average of \$62.2 million for 2019 thru 2023.

Total building permit revenue is \$1.6 million for 2024 compared to \$1.7 million 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 09/30/2024 quarterly financial report.

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2024)**

Exhibit A – Budget and Actual Collections for Major Revenue Sources

9/30/2024	Actual for	FY 2024	Actual for	Actual 2024		
	1/1/2023 thru	Budget	1/1/2024 thru	as a % of	% Change	\$ Change
Description	9/30/2023	Estimate	9/30/2024	Budget Estimate	from FY 2023	from FY 2023
Property Taxes (current)	\$40,030,985	\$40,699,482	\$42,337,678	104%	6%	\$2,306,693
Sales Tax - City	\$18,230,961	\$24,698,345	\$18,378,661	74%	1%	\$147,700
Sales Tax - County	\$8,849,503	\$11,875,784	\$8,770,358	74%	-1%	(\$79,145)
Comp Use Tax - City	\$8,513,510	\$11,462,730	\$8,666,303	76%	2%	\$152,793
Comp Use Tax - County	\$3,045,214	\$4,183,159	\$3,087,873	74%	1%	\$42,659
Franchise Tax - Electric	\$3,906,197	\$5,150,000	\$3,808,964	74%	-2%	(\$97,233)
Franchise Tax - Gas	\$1,685,934	\$1,202,000	\$1,305,010	109%	-23%	(\$380,924)
Stormwater Service Charges	\$6,551,949	\$6,564,000	\$6,536,884	100%	-0.2%	(\$15,065)
Totals	\$90,814,253	\$105,835,500	\$92,891,731	88%	2%	\$2,077,478

Exhibit B – Operating and Debt Service Expenditures

9/30/2024	Actual for	FY 2024	Actual for	Actual 2024		
	1/1/2023 thru	Budget	1/1/2024 thru	as a % of	% Change	\$ Change
Description	9/30/2023	Estimate	9/30/2024	Budget Estimate	from FY 2023	from FY 2023
Operating Expenditures:						
General Fund	\$52,128,843	\$77,856,859	\$56,512,978	73%	8%	\$4,384,135
Stormwater Fund	\$1,509,202	\$2,531,719	\$1,659,708	66%	10%	\$150,506
Totals	\$53,638,045	\$80,388,578	\$58,172,686	72%	8%	\$4,534,641
Debt Service Expenditures:						
Debt Service Fund	\$12,768,555	\$12,609,346	\$12,215,843	97%	-4%	(\$552,712)
Capital Improvement Fund	\$2,840,200	\$2,842,950	\$2,842,950	100%	0%	\$2,750
Tourism & Convention Fund	\$274,106	\$278,406	\$278,406	100%	2%	\$4,300
Stormwater Fund	\$3,148,490	\$3,156,585	\$3,141,712	100%	0%	(\$6,778)
Totals	\$19,031,351	\$18,887,287	\$18,478,911	98%	-3%	(\$552,440)

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2024)**

Exhibit C – Investment Summary

Investment Type	Market Value	% of Market Value	Maximum % Allowed by Policy
U.S. Government Agency Obligations	\$71,036,653	36.9%	90%
U.S. Treasury Notes and Bills	\$71,854,132	37.2%	100%
Collateralized Time and Demand Deposits	\$7,933,289	4.1%	100%
Kansas Municipal Investment Pool Fund (MIP)	\$776,634	0.4%	30%
Repurchase Agreements	\$41,371,000	21.4%	30%
Total Portfolio	\$192,971,708	100%	n/a

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2024)
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 09/30/2024
UNITED STATES TREASURY	3,000,000.00	4.298	05/15/2025	2,988,327.67	2,960,156.25	(28,171.42)
UNITED STATES TREASURY	1,000,000.00	4.072	08/15/2025	989,417.84	982,343.75	(7,074.09)
UNITED STATES TREASURY	3,000,000.00	4.547	10/17/2024	2,993,078.76	2,993,660.01	581.25
FEDERAL HOME LOAN BANKS	3,000,000.00	4.620	12/13/2024	3,004,608.47	2,988,504.00	(16,104.47)
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5,000,000.00	4.730	10/15/2024	5,000,577.03	4,993,470.00	(7,107.03)
FEDERAL FARM CREDIT BANKS FUNDING CORP	2,500,000.00	4.575	11/08/2024	2,490,481.35	2,492,175.00	1,693.65
UNITED STATES TREASURY	2,500,000.00	4.783	11/30/2024	2,486,149.21	2,486,328.13	178.92
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5,000,000.00	4.565	01/07/2025	4,958,887.20	4,960,645.00	1,757.80
FEDERAL HOME LOAN BANKS	3,000,000.00	4.352	04/14/2025	2,933,112.08	2,939,091.00	5,978.92
FEDERAL NATIONAL MORTGAGE ASSOCIATION	3,000,000.00	4.334	04/22/2025	2,965,001.05	2,938,962.00	(26,039.05)
FEDERAL HOME LOAN MORTGAGE CORP	2,000,000.00	4.111	07/21/2025	1,955,234.54	1,941,184.00	(14,050.54)
UNITED STATES TREASURY	2,000,000.00	4.078	07/31/2025	1,957,157.29	1,937,812.50	(19,344.79)
FEDERAL NATIONAL MORTGAGE ASSOCIATION	2,000,000.00	4.082	08/18/2025	1,952,140.81	1,938,448.00	(13,692.81)
UNITED STATES TREASURY	3,000,000.00	3.984	09/30/2025	2,912,449.12	2,891,250.00	(21,199.12)
FEDERAL HOME LOAN MORTGAGE CORP	3,000,000.00	4.023	09/23/2025	2,917,798.46	2,895,795.00	(22,003.46)
UNITED STATES TREASURY	3,000,000.00	4.634	11/15/2024	2,996,570.70	2,985,468.75	(11,101.95)
UNITED STATES TREASURY	3,000,000.00	4.543	02/15/2025	2,985,661.94	2,966,250.00	(19,411.94)
UNITED STATES TREASURY	3,000,000.00	4.543	02/15/2025	2,960,898.40	2,966,250.00	5,351.60
UNITED STATES TREASURY	3,000,000.00	4.318	03/15/2025	2,985,814.17	2,965,312.50	(20,501.67)
FEDERAL FARM CREDIT BANKS FUNDING CORP	3,000,000.00	4.407	03/10/2025	3,002,412.67	3,007,599.00	5,186.33
FEDERAL HOME LOAN BANKS	5,000,000.00	4.668	11/13/2024	4,999,818.36	5,002,905.00	3,086.64
FEDERAL FARM CREDIT BANKS FUNDING CORP	10,000,000.00	4.496	02/07/2025	9,995,910.53	10,012,050.00	16,139.47
FEDERAL HOME LOAN BANKS	20,000,000.00	4.096	08/15/2025	20,006,874.52	20,110,460.00	103,585.48
Umb Scout Funds	2,500,000.00	5.009	11/12/2024	2,500,000.00	2,500,000.00	0.00
UNITED STATES TREASURY	10,000,000.00	4.510	12/12/2024	9,897,166.17	9,910,600.00	13,433.83
UNITED STATES TREASURY	10,000,000.00	4.032	06/12/2025	9,659,297.90	9,724,480.60	65,182.70
Sub-total: Short-term Portfolio	\$115,500,000	4.365	03/24/2025	\$114,494,846	\$114,491,200	(\$3,646)

Long-term Portfolio:

Description	Par Value	Current Yield	Final Maturity	Current Book Value	Current Market Value	Unrealized Gain (Loss) as of 09/30/2024
UNITED STATES TREASURY	5,000,000.00	3.826	02/15/2026	4,834,792.40	4,853,906.25	19,113.85
UNITED STATES TREASURY	5,000,000.00	3.876	12/31/2025	4,904,594.21	4,924,218.75	19,624.54
UNITED STATES TREASURY	5,000,000.00	3.951	10/31/2025	4,846,524.09	4,805,468.75	(41,055.34)
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5,000,000.00	3.955	11/07/2025	4,852,655.03	4,815,365.00	(37,290.03)
UNITED STATES TREASURY	2,000,000.00	3.873	11/30/2025	1,936,353.93	1,920,937.50	(15,416.43)
UNITED STATES TREASURY	5,000,000.00	3.873	11/30/2025	4,784,053.48	4,802,343.75	18,290.27
UNITED STATES TREASURY	5,000,000.00	3.830	01/31/2026	4,735,355.30	4,777,343.75	41,988.45
Sub-total: Long-term Portfolio	\$32,000,000	3.884	12/18/2025	\$30,894,328	\$30,899,584	\$5,255

Description	Par Value	Current Yield	Current Book Value	Current Market Value	Unrealized Gain (Loss) as of 09/30/2024
TOTALS	\$147,500,000	4.267	\$145,389,175	\$145,390,784	\$1,609

Report Notes:

This report includes the City's U.S. Treasury and U.S. Government Agency investments held by the third-party custodian (UMB Bank).
This report does not include investments held away from the third-party custodian, which include:
-Repurchase Agreements
-Collateralized Time & Demand Deposits
-Municipal Investment Pool (Overnight Pool)

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2024)**

Exhibit E - Reserve Balances by Fund

9/30/2024						
Fund	9/30/2024 Reserve Balance	FY 2024 Budget	Policy Minimum Reserve Target	Minimum Reserve Target (per policy)	Actual 9/30/2024 Reserve Percentage	Projected 12/31/2024 Reserve Percentage
General Fund	\$54,773,687	\$106,447,607	30%	\$31,934,282	51%	39%
Debt Service Fund	\$5,859,383	\$13,968,517	10%	\$1,396,852	42%	40%
Health Plan Fund	\$4,582,333	n/a	n/a	\$2,114,276	n/a	n/a
Risk Management Fund	\$1,165,179	n/a	n/a	\$1,414,283	n/a	n/a
Worker's Compensation Fund	\$2,419,147	n/a	n/a	\$2,001,325	n/a	n/a
Stormwater Fund	\$8,203,096	\$7,275,086	10%	\$727,509	113%	51%
Rec Center Fund	\$4,217,199	\$3,135,500	10%	\$313,550	134%	101%
Tourism and Convention Fund	\$2,926,315	\$900,000	5%	\$45,000	325%	314%
Special Alcohol Fund	\$1,047,160	\$431,500	5%	\$21,575	243%	264%

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2024)**

Exhibit F - Thompson Barn Financial Report

<u>Account Description</u>	<u>Amount as 9/30/2023</u>	<u>Amount as 9/30/2024</u>
<i>Revenues:</i>		
Community Rentals	\$198,726	\$183,377
Total Revenues	\$198,726	\$183,377
<i>Expenditures and Encumbrances:</i>		
Personnel Costs	\$29,172	\$32,209
Contractual Services	\$11,561	\$22,301
Commodities	\$13,449	\$20,456
Total Expenditures and Encumbrances	\$54,182	\$74,966
Revenues less Expenditures and Encumbrances	\$144,544	\$108,411
Unspent Balance as of January 1st	\$1,042,842	\$1,234,768
Unspent Balance as of September 30th	\$1,187,385	\$1,343,179

<u>Rental Activity YTD:</u>		
<u>Number of Rentals</u>	<u>9/30/2023</u>	<u>9/30/2024</u>
Chamber of Commerce	9	12
City of Lenexa	12	21
Public	188	180
Totals	209	213
<u>Types of Rentals</u>	<u>9/30/2023</u>	<u>9/30/2024</u>
Meetings	65	84
Social Functions	144	129
Totals	209	213

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2024)**

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

Fund/Department	Vendor Name	Amount	Description	Date
ERF Fire	Turn-Key Mobile Inc	\$21,924.00	ERF for MDT	9/9/2024
Communications	POST PUBLISHING INC.	\$22,800.00	Johnson County Post advertising	9/30/2024
ERF MS Traffic	TRAFFIC SIGNAL CONTR	\$23,045.00	Trsfic Signal Detection - 79th & Lackman	7/1/2024
IT	IGM Technology Corp	\$23,394.00	Gravity Software	5/28/2024
Capital Improvement	ABC-Fry-Wagner, Inc	\$25,428.00	LJC Moving Service 8/12/24-8/15/24	9/5/2024
Community Development	Construction Resource Management	\$29,350.00	LJC Geotechnical Report	8/22/2024
ERF MS Fleet	Enterprise FM Trust	\$29,787.03	July 2024 Fleet Leasing	7/3/2024
Human Resources	ELEARNINGFORCE CORP	\$30,000.00	Perform 365 Renewal - Weekly10	8/23/2024
ERF Fire	RNKC LLC	\$30,600.00	ATV	8/1/2024
Parks & Rec	Allied Tours, Inc	\$30,795.00	Balance Mississippi River & Cranberry Tour	8/27/2024
Police	MOTOROLA SOLUTIONS	\$31,096.48	Radios APX 4500	9/30/2024
ERF MS Fleet	Enterprise FM Trust	\$32,627.03	August 2024 Fleet Leasing	8/3/2024
IT	ConvergeOne Inc	\$33,990.81	LJC-Extra Disk Storage for Cameras	6/8/2024
IT	ConvergeOne Inc	\$33,990.82	LJC-Extra Disk Storage for Cameras	6/8/2024
Municipal Services	Clear Company LLC	\$37,948.20	Annual Billing 9.30.2024-9.29.2025	8/16/2024
IT	ConvergeOne Inc	\$38,228.03	Dell VxRail maintenance LJC	9/6/2024
Courts	Johnson County Gover	\$43,010.00	2nd Quarter 2024 Jail Bill	7/2/2024
Capital Proj Fd Cap Acq	K&W Underground Inc	\$44,257.70	Fiber CIP	6/26/2024
Capital Proj Fd Streets	Alon Management LLC	\$46,450.00	REIMBURSEMENT AGREEMENT	8/29/2024
IT	Midwest Presentation	\$47,750.00	Advance Support One year 7/1/24 - 6/30/25	6/12/2024
Capital Proj Rd Streets	City Of Shawnee	\$54,695.13	NIEMAN RAD, SMP - 79TH	6/30/2024
Municipal Services	Olathe Ford Sales Inc	\$62,705.00	Traffic Sign Truck 2023 F250	9/24/2024

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2024)**

Exhibit H - Rec Center Financial Report

		<u>FY 2024</u>	<u>Amount as</u>	
		<u>Budget</u>	<u>9/30/2024</u>	
<u>Account Description</u>				
<i>Revenues:</i>	<i>Account:</i>			
	45601 & 45660	Membership Fees	\$1,600,000	\$1,869,135
	45599, 45641 & 45654	Day Pass Fees	\$290,000	\$403,341
	45640	Child Care Fees	\$35,000	\$39,744
	45665	Silver Sneakers Fees	\$100,000	\$198,491
	45647	Birthday Party Rental Fees	\$140,000	\$158,652
	45642-45644	Fitness Class Fees	\$96,000	\$81,242
	45613, 45916-45920	Swim Lessons/Aquatics Programs	\$141,200	\$108,230
	45619, 45625, 45627, 45635, 45637, 45639, 45645, 45646, 45870, 45871	Sports Programs	\$39,800	\$33,208
	45648, 45732	Other Event & Rental Fees	\$7,000	\$27,821
	45617, 45621, 45623, 45629, 45649, 45651, 45652, 45653	Other Classes & Camps Fees	\$166,500	\$175,608
	47120 & 47130	Investment Income	\$6,000	\$44,164
	48204, 48210, 48216, 48217, 48221, 48230, 48235, 48250, 48257, 48281, 48282, 48285, 48286, 49435	Vending & Miscellaneous Revenues	\$14,000	\$9,409
Total Revenues			\$2,635,500	\$3,149,045
<i>Expenses:</i>				
		Personnel Costs	\$2,785,485	\$1,842,300
		Contractual Services	\$515,623	\$334,496
		Commodities	\$284,525	\$194,393
		Capital Outlay	\$284,851	\$453,422
Total Expenses			\$3,870,484	\$2,824,611
Revenues less Expenses			(\$1,234,984)	\$324,434
Transfer from General Fund			\$500,000	\$0
Net Position (Balance), January 1, 2024				\$3,892,764
Net Position (Balance), September 30, 2024				\$4,217,198
Statistics as of 09/30/2024				
<i>Rec Center opened for operations in late July of 2017.</i>				
	Memberships	Number	% Share	
	Household	5,324	52.1%	
	PLUS 1 (members above total of 5 members per household)	650	6.4%	
	Adult	901	8.8%	
	Senior	654	6.4%	
	Specialty Memberships	2,437	23.8%	
	All Other	254	2.5%	
	Total Memberships	10,220	100.0%	
	Total Membership Units (Pro Forma estimated 2,010 in first year)	6,879		
	Total Visits (2nd quarter 2024)	92,769		
	Total Visits (since opening)	1,973,821		