

# MERRIAM CITY COUNCIL AGENDA

June 8, 2020

7:00 P.M.

This is a virtual meeting.

The public may participate by joining the meeting at:

<https://us02web.zoom.us/j/83284239991?pwd=NHRLYjIHR1FadU5ZR3JPZXBpeWNQdz09>

Password: 887900

1-929-205-6099 Webinar ID: 832 8423 9991 Password: 887900

**If you require any accommodation (i.e. qualified interpreter, large print, reader, hearing assistance) in order to attend this meeting, please notify the Administrative Office at 913-322-5500 no later than 24 hours prior to the beginning of the meeting.**

## I. CALL TO ORDER

## II. ROLL CALL

## III. PUBLIC ITEMS

In response to COVID-19, public comment that normally occurs during the City Council meeting has been temporarily suspended. Members of the public are still encouraged to share comments about matters that may or may not appear on the agenda. **Please note: Public Comments will only be taken *via email* to the City Clerk at [jpinnick@merriam.org](mailto:jpinnick@merriam.org) prior to 6:00pm on the date of the meeting**

## IV. CONSENT AGENDA

All items listed under the heading are considered to be routine by the City Council and may be enacted by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which case that item will be removed from the Consent Agenda and considered separately.

1. Consider approval of the minutes of the City Council meeting held May 11, 2020.
2. Consider acceptance and final payment to Phoenix Concrete for the 2020 Sidewalk Infill/Maintenance Program.

## V. MAYOR'S REPORT

1. Employee Service Awards 2<sup>nd</sup> Quarter 2020

## VI. COUNCIL ITEMS

### A. Finance and Administration

1. Consider acceptance of the 2019 Audit Report.
2. Consider approval of an Amendment to the Property Conveyance Agreement with Johnson County Library Board.
3. Consider approval of the Shared Parking and Maintenance Agreement between the City of Merriam and Johnson County Library Board.
4. Consider approval of a professional services agreement (PSA) with OpenCities for website services.
5. Consider approval of a bid process for removal of the existing community center located at 5701 Merriam Drive
6. Consider approval of a resolution amending the Employee Handbook Section 6.02- Miscellaneous Fringe Benefits.
7. Community Center Update
8. Monthly Finance Report (April) included in packet

**B. Community Development/Public Works/CIP**

1. Consider acceptance and final payment to Phoenix Concrete for the 2019 Sidewalk In-fill Phase 3 project.
2. CIP Update-included in packet
3. Review of the city's zoning ordinances related to the installation of solar collection systems.

**VII. STAFF ITEMS**

**VIII. NEW BUSINESS**

**IX. EXECUTIVE SESSION**

**X. ADJOURNMENT**

Respectfully submitted,

*Juliana Pinnick*

Juliana Pinnick  
City Clerk

**MERRIAM CITY COUNCIL MINUTES**

**May 11, 2020**

**7:00 P.M.**

**Virtual meeting via zoom.**

**I. CALL TO ORDER**

Mayor Ken Sissom called the meeting to order at 7:00 pm.

**II. ROLL CALL**

The following Councilmembers were present via Zoom meeting:

Scott Diebold  
Chris Evans Hands  
Bruce Kaldahl  
Brian Knaff  
David Neal  
Bob Pape  
Jason Silvers  
Whitney Yadrich

Staff present via Zoom meeting: Chris Engel, City Administrator; Ryan Denk, City Attorney; Meredith Hauck, Assistant City Administrator; Jim MacDonald, Public Works Director; Jenna Gant, Communication and Public Engagement Manager; Anna Slocum, Parks and Recreation Director; Bryan Dyer, Community Development Director; Stephanie Thompson, HR Manager and Juli Pinnick, City Clerk.

**III. PUBLIC ITEMS**

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There were no public comments.

**IV. CONSENT AGENDA**

All items listed under the heading are considered to be routine by the City Council and may be enacted by one motion. There will be no separate discussion of these

items unless a Councilmember or citizen so requests, in which case that item will be removed from the Consent Agenda and considered separately.

1. Consider approval of the minutes of the City Council meeting held April 27, 2020.

**COUNCILMEMBER PAPE MOVED THAT THE COUNCIL APPROVE  
CONSENT AGENDA ITEM 1. COUNCILMEMBER DIEBOLD SECONDED  
AND THE MOTION WAS UNANIMOUSLY APPROVED.**

## **V. MAYOR'S REPORT**

1. Proclamation - Public Works Week May 17 - 23.

Mayor Sissom read the Proclamation declaring May 17-23 Public Works Week. He thanked all members of the Merriam Public Works department for their dedicated service to the City of Merriam.

## **VI. PUBLIC HEARING - Public Hearing regarding the City's grant application submittal for 2021 Community Development Block Grant (CDBG) funding.**

Community Development Director Bryan Dyer provided the background for this item.

This is the Public Hearing for the city's application to Johnson County for 2021 CDBG funds. The purpose of the Public Hearing is to receive comments on the City's CDBG application.

The City of Merriam's 2021 CDBG application is for \$70,000 for the removal of 20 KCPL "cobra head" streetlights and the installation of 31 City of Merriam standard LED streetlights in the Milburn West neighborhood bounded by W. 70<sup>th</sup> Street, Kessler Street, W. 69<sup>th</sup> Street, and Antioch Road. The project will complete the installation of city street lights in the Antioch Hills and Milburn West neighborhoods.

The "cobra head" streetlights are spaced far apart and do not provide a large amount of illumination at ground level. The CDBG funds will be used to replace the "cobra head" lights with streetlights that are much more appealing, energy efficient, and owned by the city. The streetlights that are installed by the city are aesthetically pleasing, shorter, and provide better lighting at ground level. This increased lighting encourages pedestrian activity and neighbor interaction. This increase in activity discourages crime in neighborhoods.

This project will complete the installation of city standard streetlight from W. 73<sup>rd</sup> Street to W. 69<sup>th</sup> Street between E. Frontage Road and Antioch Road. The completion of the street light system will provide residents with a lighted, pedestrian connection to Quail Creek Park, E. Frontage Road, and Antioch Road. The project will serve approximately 469 residents.

The purpose of this Public Hearing is to receive feedback on the application that is included in the Council's information packet. After conducting the Public Hearing, if appropriate, the Council can authorize the Mayor to sign the application.

**Total project cost**                      \$188,164

**Funding Sources:**

CDBG	\$70,000
CIP	\$79,960
Public works labor	\$38,204

Mayor Sissom opened the Public Hearing at 7:14 pm. Members of the public were able to make public comments regarding the 2021 CDBG funding via email to the City Clerk at [jpinnick@merriam.org](mailto:jpinnick@merriam.org) prior to 6:00pm on the date of the meeting.

There were no public comments. The Public Hearing closed at 7:15 pm.

**COUNCILMEMBER HANDS MOVED THAT THE COUNCIL AUTHORIZE THE MAYOR TO SIGN THE 2021 CDBG APPLICATION. COUNCILMEMBER KALDAHL SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.**

**VII. COUNCIL ITEMS**

**A. Finance and Administration**

1. Consider approval of a franchise ordinance with Evergy Metro Inc.

City Administrator Chris Engel provided the background for this item.

Currently Evergy Metro, Inc. (formerly KCP&L) is operating in Merriam as an electrical utility. The existing franchise agreement expired in January 2020 but remains active as long as the parties are negotiating. The City Attorney has been working with Evergy since last year and both parties have agreed to an updated franchise ordinance.

The agreement with Evergy has the same terms as the existing

agreement. The duration of the agreement is 10 years. The agreement grants Evergy the nonexclusive right to utilize and construct within the public rights-of-way to provide electric energy. Evergy cannot provide additional services which require a franchise agreement without first obtaining a separate franchise agreement with the City. Evergy does have the ability to allow attachments to its facilities if such attachments are covered in a separate pole attachment agreement with the City. In return, Evergy will pay the City a monthly franchise fee of 5% of total gross receipts. Evergy defines franchise fee as “the ‘rent’ that we pay a city to use the right-of-ways for our lines, poles, etc.” In 2019, this agreement generated \$853,071 for the General Fund. It is anticipated that the city will receive \$925,000 in 2020. 70% of these fees are paid by commercial users and 30% are residential.

The City does provide a Franchise Fee Rebate Program for certain low-to-moderate income residents. Over the last three years that program has refunded \$9,345 to 199 applicants.

Per statute, the City published a Notice to Electors in The Legal Record on April 21, which is 20-days prior to the May 11 City Council meeting.

There was a first reading of this Ordinance at the April 27 City Council meeting.

Mr. Engel displayed documents depicting a franchise ordinance from the 1950's which was prior to Merriam being an incorporated city. The rate at that time was 5%. The rate for the ordinance being considered is also 5%. From the total revenue in the General Fund, Franchise fees account for 8% of that revenue.

Councilmember Yadrich asked if Advent Health was exempt from this fee like they are for property tax.

Mr. Engel responded that Advent Health, although exempt from property tax, are not exempt from the electric franchise fee.

Councilmember Yadrich commented that many residents that have spoken with her about this fee claim that they maintain the right-of-way in front of their homes and not the city. She asked Mr. Engel to provide a couple of examples of how the franchise revenue is used to maintain the right-of-way.

Mr. Engel commented that while there is city right-of-way in residential neighborhoods, there are many other miles of city right-of-way that are not residential. Those areas are mowed and maintained by our Public Works department. Sidewalks are installed and maintained by the city in the right-of-way as well as retaining walls and curbs.

Councilmember Yadrich commented that some residents feel that the city is double dipping on taxes and franchise fees by taxing them for the area of their property that is in the city right-of-way.

Mr. Engel explained that the area that all properties are taxed on is what is depicted on the plat. Typically, those plats end 10-15 feet before the roadway which is city right-of-way. While the residents do maintain that area, are allowed to use it, and mow it, that 10-15 is not actually the resident's property; it is city right-of-way.

Councilmember Yadrich asked about the rate structure for Evergy that is approved by the Kansas Corporation Commission (KCC) and if the city has any input on those rate structures.

City Attorney Ryan Denk commented that the city does not have any influence over those rates. However, when those rates are being considered by the KCC, there is a public hearing in which the City could provide input. This input can be provided by any citizen as well.

Councilmember Neal asked about the budgeted amounts for franchise revenues for 2019 vs. 2020 and if those budgeted amounts were higher for 2020 because of rate increases by the utility companies.

City Administrator Chris Engel responded that the amount budgeted for 2020 are higher, based on new users and businesses. Primarily those new users would be the additional car dealerships. Audi will have a full year of operation in 2020 and potentially there will be a new dealership north of the Hyundai dealership.

Councilmember Neal asked if the 5% rate in the agreement has any opportunity to be changed during the term of the agreement. As Evergy rates increase so does the city's revenue based on the 5% fee. If over the next ten years, Evergy dramatically increases their rates, could the city possibly lower their rate to offset the higher bills for customers.

City Attorney Ryan Denk commented that the city could not charge a higher rate than is in the agreement and the vast majority of municipalities charge the 5% fee which is the maximum rate that can be charged. He further commented that the reason why utilities are in the city's right-of-way is because they have a statutory right to use the right-of-way, but the city fronts the initial costs for the right-of-way. Private land holders can ask for compensation if a utility wants to go through your property, but public rights-of-way have to allow the utilities use and the franchise fees are the only way the city can be compensated for that use. He personally has never had anyone amend a franchise agreement in the middle of the term, but any agreement can be renegotiated at any time. The utility company has no issue with a reduction in the franchise fee rate as it is simply a pass through fee.

He further commented that there are basically two rules when it comes to the utility franchise fees: the first is that a city cannot charge more than the 5% fee, and the other is that the fee cannot be discriminatory. What that means is that all utilities must be treated equitably as you would not want to charge a lower franchise fee rate for gas and a higher one for electricity. If we reduce Evergy's percentage then all the other utilities would want their percentage reduced and by law, we would have to comply.

City Administrator Chris Engel commented that Southern Star Gas Company has a large pipeline that runs through our community, we have no Southern Star customers in Merriam and Southern Star has no business presence in our city yet, we have to allow them to run that pipe through our property and the city receives no compensation for that.

He further commented that the Timber Ridge development has no gas service, they only have electrical service so those residents do not pay a gas franchise fee as they are not an end user for gas.

Councilmember Pape commented that it appears that the rate has been 5% since 1950 and asked if it has always been a 5% rate and would anything prohibit us from making the agreement for only 5 years.

Chris Engel responded that it appears that it has always been 5%. Statutorily the maximum term of 20 years but it does not appear that there is anything that would prohibit us from doing for a lesser term.

Councilmember Pape wanted to be sure everyone in the city understands that the city has a franchise fee rebate program for folks who meet certain income guidelines.

Mr. Engel added that the city has refunded franchise fees to approximately 200 residents last year. The average franchise fee on a residential bill is about \$3 per month. The program information is listed on the city's website, it contains the application, income guidelines and an overview of the program.

Mr. Engel displayed the income guideline information from the city's website.

Councilmember Neal commented that with the current economic situation, and the uncertainty of our revenue streams that are paid largely by commercial customers, it may not be the best time to reduce this revenue source. The city has a mechanism in place to assist lower income folks with refunding the franchise fees and suggested that program be extended this year as many folks have been affected by the current economic situation.

Mayor Sissom reminded the council that anytime the city loses a revenue stream, that shortfall has to be made up somewhere. He asked Mr. Engel how many mills of property tax would be needed to make up the amount that would be lost from no longer having franchise fees. The Mayor further commented that he is in no way proposing an increase in property taxes, he just wanted it illustrated what the impact to property taxes might be if the city were to lose this revenue stream. He concluded by indicating that reducing the fee rate for Evergy would cause a domino effect for all franchisees; once the other utilities discover that there has been a reduction in franchise rates, the gas, telephone and others would want a reduction in their franchise rates and by law, we would have to comply. We are currently looking at ways to save money in light of the current situation so this may not be the time to give away a revenue source.

Mr. Engel indicated that it would take an increase of about 9 ¼ mills to make up the franchise fee revenue.

Councilmember Yadrich thanked all the residents who submitted public comment on this issue and it has provided a good opportunity for councilmembers to learn if the decision being made is in the best interest of everyone in the city. She further commented that some

residents have made comments that the city was not considering folks affected by the COVID-19 pandemic, but many councilmembers have been personally affected by the COVID-19 pandemic with job furloughs as well. For her, the total amount of franchise fees paid on her electricity bill last year was about \$36.

Councilmember Pape wanted it clarified that this is not an increase on Evergy bills. He feels that some residents may be misinformed in that this would be a new additional fee on their electric bill. This is the same amount that has been on there in the past and is not a new or additional fee.

The city clerk read the following comments submitted:

Billy Croan, 6633 Wedd Street commented, simpler is better. It's transparent. It's fair. That is the basis of my argument tonight against franchise fees.

I will also note from the beginning that a franchise fee is but one of many pieces of the franchise agreement before you this evening. There are indeed multiple other fees paid by utilities to the city on a regular basis in addition to that flat percentage franchise fee. The agreement does not depend on a franchise fee being set, and everything permitted and required by the agreement can remain in the absence of the franchise fee. The franchise fee does not pay for damage and repairs to right of way, or for closures of streets. Those have always been charged for separately in our agreements, when they actually occur.

I am not writing in opposition to the agreement as a whole. I would ask you to approve the agreement tonight with the franchise fee removed, and to remove the franchise fees from other franchise agreements in the future.

Evergy defines franchise fees as rent paid for use of the 'right of way' land and our staff have said the same. I think most Merriam residents paying rent today, pay that rent to the owner of the thing they are renting.

Yet much of the right of way land that Evergy's lines use is owned privately, by the residents and businesses that already pay property and sales tax to the city. Right of way land is usually not owned by

the city itself. The city doesn't mow it, or shovel it, or pay property tax on it. So why should the city collect rent for it?

While franchise fees have been standard for some time in this part of the country and this is not an issue unique to Merriam, Franchise fees are not universal. Three states in the US even forbid them.

Franchise fees on essential utilities are a duplication of property tax. They come from the same pool of taxpayers, and go into the same general fund. And they 'fly under the radar' when people try to understand how much tax they're actually paying because 'Franchise Fees' play a word game with the word 'tax' itself.

The Kansas Corporation Commission (KCC) in no way requires franchise fees to be part of a franchise agreement. If a Franchise Fee is not charged, Evergy cannot simply keep the money themselves as was said a month ago. If a Franchise Fee is charged however, KCC does require that the fee get passed transparently on to consumers. And consumers are property tax payers in this case. So in my mind, that changes it from a fee levied against Evergy, to a fee levied against residents and local businesses (and that sounds like a tax to me). But Evergy cannot legally collect taxes.

Today is May 11th, 2020. Our nation is weathering a crisis on a scale that none of us have ever seen before. Now is simply not an appropriate time to be taxing residents and local businesses whom have already suffered greatly due to recent events.

Franchise fees are essentially micro-taxes that nickel-and-time people in hard to track ways and they're the reason that when you go to sign up for a service advertised at \$30/mo. and it's just always more, isn't it?

Franchise fees cause mistrust of government that already has a clear and common, publicly approved taxing capability (that is property and sales tax) that are just more honest, better understood, transparent, and efficient.

Franchise fees are not a problem unique to Merriam. But that doesn't mean we have to perpetuate them. You have the opportunity tonight to lead our region in better government as we have before. Set

ourselves apart and make a name for Merriam being no-nonsense on taxes.

This aligns with the council objective of providing support to existing businesses. And it provides support to existing Merriam Families, which, while not currently a stated council objective, I'm sure it's something you all value.

In closing, we should collect the money we need from our citizens and businesses to maintain government. I support taxation in general. But we should use Property and Sales tax, and leave this "Franchise tax" (or "fee" as some call it) out of it. And you can do this tonight by moving to accept the agreement before you without the 5% franchise fee.

Thank you for listening, and for your leadership in this matter.

Mark Lamendola, no address provided, commented, when considering whether to approve the 5% Use Tax, please consider the following.

The City put us in a very bad position by going deep into debt for an unnecessary and overbuilt replacement community center. The retail sales taxes were never going to be enough to pay for this project, but now with car sales collapsing (permanently, and worldwide) plus the effects of CV-19, we will require a massive tax hike on residents to service our debt.

The state and federal governments have already said they are not going to bail out cities that spent unwisely. And by any measure, that regretful community center fiasco was unwise. Now with so many people out of work it's doubtful that user fees will cover the costs of operations and maintenance, further compounding the financial stress.

Taxing us another 5% when we are certainly going to see a tax hike to pay for the recklessness that resulted in this huge financial debt we cannot possibly service any other way is unpalatable.

The sooner the City makes the inevitable staff cuts, the better. We don't need an Assistant City Administrator, for example. Stop paying

that wage ASAP, and we are that much less in the hole. Consider shutting off the street lights to save even more money; those were not here when I moved here and I totally hate them for several reasons (one of which is their severely negative impact on nocturnal wildlife). Stop the flower watering trucks and other stupid wastes of money now. What other waste does the City engage in? Make a list and insist it stops.

Don't forget, you live here too. Your own standard of living will be affected by what you do or fail to do in the next few months. It's going to get bad, but how bad it gets depends on how soon you make the choices that must be made. Let's not try to put a spin on the bad decisions that got us here. Let's admit to the huge fail and figure out how to minimize the damage. I just told you how to get off to a good start on that. Please get started.

Susan Anstine, 5336 Farley Street, commented, I do not want to continue paying this fee

Fred Sweeney, 9716 Hocker Dr., since 1974 commented, Merriam receives a ton of tax it receives on rising real estate taxes, personal sales tax and who knows what else in the complex fees added to all our tax bills and utilities (to name a few). Even though IKEA seems to be the big company in town, it is clear all the car dealers in Merriam are the piggy bank that contributes massive amounts to the city's coffers. Let's stop buying piles of rocks posing as art, a chime at the corner no one hears and concentrate on helping our city remain a town with excellent public services and friendly towards those who live here. We could all use a break on money saved anywhere possible and not renewing the tax on the Evergy bill is a step in the right direction. I'm sure the city doesn't need to survive with the piles of money coming your way from just the few examples I mentioned above.

Albert & Ruth Terrones, 9931 Johnson Dr., commented, regarding the 5% tax on our electric bills, I don't think this tax is needed for the citizens of Merriam and it should not be renewed. We are already paying too much in taxes as it is. Anything that can be done to reduce our tax bill is needed. The city needs to consider the residents and those of us who are on fixed incomes.

Roxian Jarboe, 10017 W 68th Street since 1994, commented, I recently retired and since my income is going to be significantly

reduced, I would like not to have to continue paying the 5% tax on my electric bill. I would rather have that money to use for necessities.

Kim Armstrong, 10024 W 70th Terrace, commented, I do not want to pay this tax. We pay enough taxes.

Ed Ruff, 8509 W 56th Terrace, commented, No, do not continue tax to Every.

Chae Scharf, 8501 W 61st St., commented, I am extremely against continuing the 5% franchise tax on the electric bill for yet another 10 years. Our electric bills are already high with many of our families out of work for COVID-19. No one wants to beg for relief. Not to mention the cost of paying someone for administrating that process. We need to consider the need for new sidewalks, street lamps and vehicles in a time when some of us are deciding if we can even reopen our businesses. Others don't know if they have jobs to go back to and health care is already stretching us to our limits. I ask that you please pass this on at the meeting tonight, May 11th, 2020. I will be tuned in to see the results of this vote.

Carol Leighton, 6334 Robin Hood Ln., commented, I am opposed to continuation of the 5% utility tax, as it adversely affects those of the lowest income.

Jeremiah Enna, 8501 W. 64th Ter., commented, I am a 22 year resident of Merriam at please record my opinion that we should completely eliminate the 5% tax on our electric bill called a Franchise Fee.

Harry Gianakon III, 10109 W 59th Ter., commented, I would love to see the 5% tax removed from our electrical bill. It is time for the

residents of Merriam to see tax relief from their elected representatives. Any actual city expenses related to electrical lines should be able to be handled under the road maintenance tax that was just extended. The city already collects sales tax on electrical bills and they do not need the extra 5% Franchise Fee. Please let Merriam residents keep more of their hard-earned money.

Lina Moore, no address provided commented, I am not in favor of that tax. If the city of Merriam needs money perhaps they should stop spending so much on the frivolous art.

Marilyn Stephenson, 10125 Edelweiss Circle commented Merriam energy tax - Vote no.

Barbara Walsh, 9975 Edelweiss Circle, commented, I do not want the 5% Evergy tax continued. KS taxes are already too high.

Councilmember Silvers commented that he now understands how the franchise fee is calculated on his bill, and he will work to control the amount of his electric bill by unplugging unused appliances, switching to LED lights and other measures to control his electricity usage and bill.

Councilmember Neal commented that he will be voting in favor of the ordinance but only because, right now it does not make sense to change something that is already an existing fee in this time of uncertainty. Realizing there are some concerns raised by citizens however, the city does have a program to help provide some relief to those residents who may qualify and he suggested that maybe the program dates could be extended this year.

**COUNCILMEMBER HANDS MOVED THAT THE COUNCIL APPROVE A FRANCHISE ORDINANCE WITH EVERGY METRO INC. AS PRESENTED. COUNCILMEMBER DIEBOLD SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.**

2. Consider approval of an ordinance authorizing the sale, consumption and possession of alcoholic liquor during the Merriam Drive Live Special Event.

Parks and Recreation Director Anna Slocum provided the background for this item.

Merriam Drive Live debuted in 2018 as a new event in downtown Merriam. The goal of the event is to provide an opportunity to build community among residents as well as provide an example of how the land at 5701 Merriam Drive could be utilized. Although weather has been less than desirable, event organizers implemented a weather plan that has proved successful for the enthusiastic attendees. This year, the event is scheduled for Saturday, October 3 from 11 am – 6 pm featuring the rescheduled Turkey Creek Festival 5K to start the day, a variety of musical performances, children's activities, cornhole tournament, yard games, food trucks and a Kansas licensed caterer serving beer and wine.

In order for beer and wine to be sold and participants not be confined to a specific space, an ordinance is required to allow the sale, consumption and possession of alcoholic liquor on streets and sidewalks within the boundaries permitted. The boundaries, outlined in Exhibit A, would be as follows: west edge of the Farmers' Market Pavilion; east edge of the Irene B. French Community Center; 57<sup>th</sup> Street on the north end and 58<sup>th</sup> Street on the south end. The boundaries of the area will be clearly marked by signs and a map of the area will be posted where the sale of alcohol occurs.

The first reading of this ordinance occurred at the April 27 City Council meeting.

**COUNCILMEMBER DIEBOLD MOVED THAT THE COUNCIL APPROVE AN ORDINANCE AUTHORIZING THE SALE, CONSUMPTION AND POSSESSION OF ALCOHOLIC LIQUOR DURING THE MERRIAM DRIVE LIVE SPECIAL EVENT. COUNCILMEMBER YADRICH SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.**

3. Consider approval to waive the caterer's license fee for the Merriam Drive Live event.

Parks and Recreation Director Anna Slocum provided the background for this item.

In January 2016, staff sought direction on investigating the possibility of allowing the sale of alcoholic beverages at the Merriam Marketplace during select Parks and Recreation events. In March 2016, City Council approved an ordinance amending Chapter 5 – 191 and 192 to allow the local license tax of \$500 every two years to be waived when used solely for a City Council approved event sponsored and funded by the City of Merriam. The caterer's license is limited and noted on the face. If the caterer desires to operate within Merriam for other catering purposes, they are required to pay the license tax and receive an unrestricted caterer's license.

Staff is seeking approval to waive the license tax as allowed per ordinance for Merriam Drive Live scheduled for October 3, 2020 from 11 am – 6 pm.

**COUNCILMEMBER YADRICH MOVED THAT THE COUNCIL WAIVE THE CATERER'S LICENSE FEE FOR THE MERRIAM LIVE DRIVE EVENT. COUNCILMEMBER HANDS SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.**

4. Consider approval of an amendment to the Merriam Pointe Redevelopment agreement.

City Administrator Chris Engel provided the background for this item

This item relates to a request by Richard Webb (Merriam Luxury Imports aka MLI), the owner of Infiniti of Kansas City and also co-developer of the vacant lot south of Infiniti to change the operational date of a new dealership currently outlined in the existing Redevelopment Agreement from July 24, 2020 to December 31, 2021. All other terms of the existing agreement remain the same.

In March 2011 the City executed a Redevelopment Agreement for the Merriam Pointe project with Merriam Investors, LLC and Hendrick Automotive Group. Over the next several years, Merriam Pointe became the location of three new successful automobile dealerships. In 2016, Hendrick Automotive Group was released from that agreement after the successful completion of their development responsibilities leaving only the City of Merriam and Merriam

Investors, LLC as participants. Beginning in early 2016, the City began additional conversations with Merriam Investors and Richard Webb about their desire to construct a new dealership south of Infiniti over a drainage area known as “Tract B.” At that time, Mr. Webb indicated the cost to make the site pad-ready would be prohibitive without the assistance of tax increment financing (TIF), as well as the purchase of surplus city property located adjacent to the drainage parcel.

Over the following year city staff worked to negotiate the sale of the surplus property to Mr. Webb and draft an updated Second Amended and Restated Redevelopment Agreement with Merriam Investors and Merriam Luxury Imports granting up to \$6 million in TIF funding for the construction of a \$22 million automotive dealership. The City Council approved the updated agreement on July 24, 2017. The agreement documents the legal obligations of the developer and the City throughout the development of the project and the life of the incentive revenue streams. Highlights of the Redevelopment Agreement include:

- The completed project will be an automobile dealership for the sale of new automobiles by a flagship brand that is not currently sold in the City.
- Project Plan Term (TIF term) is not being extended and will terminate on July 28, 2023.
- The City will receive an annual Administrative Fee of \$15,000 over the life of the agreement to cover the costs related to the administration of the project.
- Lead Developer (Merriam Investors) cannot assign rights, duties and obligations to the Co- Developer (Merriam Luxury Imports aka MLI) until the project is sufficiently pad-ready to the degree that vertical construction could begin.
- The total amount of public funds available for the Tract B Project is capped at \$6,000,000. This Maximum Reimbursement Amount will include a blended amount of two revenue sources-Up to \$4 million will be available from Incremental Real Property Taxes and \$2 million from the unallocated fund balance within the I-35 District Tax Increment Financing Project Fund.

- The \$2 million will be paid as follows: \$1 million once the dealership becomes operational; \$1 million after the dealership has been in operation for one year.
- The Maximum Reimbursable Amount will be reduced to \$0.00 (zero) if (a) the new dealership is not operational by July 24, 2020, (b) the Developers fail to address any violation of applicable local, state, or Federal law within 90 days, or (c) the new dealership becomes operational and then closes for more than three months withstanding conditions outside the Developers control, i.e. natural disasters, fires, performance failures by subcontractors, etc.

To date all of those obligations have been and continue to be met by all parties. Most importantly, Mr. Webb has completed millions of dollars of site work to transform the drainage area into a pad-ready, revenue producing site. However, due to delays in negotiating a final tenant, the site has not begun vertical construction and a new dealership will not be completed by July 24, 2020.

At this time the developer is requesting a change in the operational date from July 24, 2020 to December 31, 2021 to accommodate additional negotiations. All other terms of the agreement remain the same.

This change could have been memorialized as a simple amendment to the existing agreement but staff determined it more useful to have a single controlling document. However, this created a large document because of the numerous attachments that are part of the agreement. The inclusion of the documents in the Council Agenda Packet memorialize the history and technical aspects (forms, maps, etc.) of the project. For the changes currently proposed, the substantive portion of the agreement was included as a redlined copy in the Agenda Packet.

The document has been prepared by Joe Serrano, Bond Counsel at Kutak Rock and reviewed by the City Attorney.

Councilmember Neal asked if the deadline is not extended, what the chances are that the development will get completed are.

Chris Engel responded that site is pad ready and to meet the full obligations of the agreement, the developer must get a car

dealership opened on the site. Extending the deadline affects certain TIF reimbursements back to the developer. Staff is recommending extending the agreement.

Mayor Sissom commented that the current circumstances may have affected the timeline set out by the development agreement, however, Mr. Webb has made a good faith effort and has made great improvements to the site. It was basically a piece of land, a big ditch that had little value in the state that it was. Now the property is a marketable piece of land that will generate revenue.

**COUNCILMEMBER PAPE MOVED THAT THE COUNCIL APPROVE THE THIRD AMENDED AND RESTATED MERRIAM POINTE REDEVELOPMENT AGREEMENT AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT. COUNCILMEMBER HANDS SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.**

5. Community Center Update. (Included in packet)

The monthly Community Center Update was included in the agenda packet.

#### **B. Community Development/Public Works/CIP**

1. CIP Update. (Included in packet)

### **VIII. STAFF ITEMS**

City Administrator Chris Engel stated that Mission, Roeland Park and Prairie Village have all closed their swimming pools for the season. Fairway is making their decision tonight. Overland Park has a committee recommendation to close all their pools and Shawnee is still considering opening only one of their pools. Mr. Engel believes that those decisions are 51% financial and 49% safety. Merriam will have to make some decisions regarding whether safety measures can be addressed for the pool. While we don't have a facility to operate yet, those decisions will need to be made in the near future. If Merriam is the only pool open in Johnson County there will be other decisions that will need to be made.

The Irene B. French Community Center will not reopen to the public. It will continue to be used as a base of operation for staff until the new center is open and will continue to facilitate Meals on Wheels. There may be a way to ceremonially close

the building. Prior to the COVID-19 issue, a flag lowering ceremony was scheduled, but at this time, a plan is not yet confirmed.

Mr. Engel announced that there will be a Zoom Work Session to discuss the future of 5701 Merriam Dr. Last year, the citizen committee provided the council with a recommendation to save as much of the 1911 portion building as possible. After that, a structural analysis of the building was conducted to determine the cost a feasibility of saving the 1911 portion of the building. That analysis is complete and as part of the budget process, it is time to have that discussion. A packet will be out in the next few days and the information will be available for the public to view. While there will be no public comment during the work session, councilmembers might expect to receive comments from the public directly.

The re-opening of the city will begin Monday with all A and B shift employees returning to their work sites. While the doors at city facilities have been closed employees continue to work either at their worksites or from their homes.

Councilmember Neal commented that he has been working with the NLC (National League of Cities) to get the Senate to consider a relief package for state and local governments in response to the COVID-19 pandemic. They are requesting all local officials reach out to their federal representatives and encourage them to vote and include in the relief bill a reimbursement for revenue losses and provide a mechanism to get the funding to local governments.

Mayor Sissom thanked Councilmember Neal for his work with NLC and representing Merriam.

Councilmember Silvers thanked councilmember Neal for his work on this issue and asked if there was some standard language that can be provided to anyone who wants to contact their federal representatives on this matter.

Chris Engel commented that staff can help facilitate that by creating a news story or providing a standard letter for everyone.

Councilmember Hands suggested looking at the communications received from NLC as she believes they have some standard language or sample letters related to this issue that can be used.

**IX. NEW BUSINESS**

**X. EXECUTIVE SESSION**

**XI. ADJOURNMENT**

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COUNCIL,  
COUNCILMEMBER HANDS MOVED TO ADJOURN AT 9:20 PM.  
COUNCILMEMBER SILVERS SECONDED AND THE MOTION WAS  
UNANIMOUSLY APPROVED.**

Respectfully submitted,

*Juliana Pinnick*

Juliana Pinnick  
City Clerk

DRAFT



## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Authorize final payment to Phoenix Concrete, LLC for the 2020 Sidewalk In-Fill/Sidewalk Maintenance Programs.

**SUBMITTED BY:** Jim MacDonald, Public Works Director

**MEETING DATE:** June 8, 2020

### PROJECT BACKGROUND/DESCRIPTION:

Phoenix Concrete has completed the construction improvements for the 2020 Sidewalk In-Fill/Sidewalk Maintenance Programs, staff is requesting an approval to issue the final payment of \$31,233.75. With this final payment the total construction expenditure will be \$234,848.44, the original construction contract amount was \$237,184.26. The underrun of \$2,335.82 is due to actual placed quantities being less than plan quantities.

Approval of this final payment denotes the City's acceptance of the project and triggers the two-year maintenance warranty period.

### CITY COUNCIL GOALS AND OBJECTIVES

3.2 Sustain capital improvement efforts.

### FINANCIAL IMPACT

<b>Amount of Contract:</b>	\$237,184.26
<b>Amount Budgeted:</b>	\$195,000 construction CIP Sidewalk Program, and \$50,000 Sidewalk Maintenance Program
<b>Funding Source/Account #:</b>	Capital Improvement Fund - General CIP/301-0000-511-45.10, Project Nos. Sidewalk In-Fill GM1704 and Sidewalk Maint. GM2002

### SUPPORTING DOCUMENTS

### ACTION NEEDED/STAFF RECOMMENDATION

Staff recommends the Council authorize the final payment to Phoenix Concrete, LLC in the amount of \$31,233.75.

## **2<sup>nd</sup> Quarter 2020 Employee Service Awards**

### **5 Years of Service**

**Scott Diebold-City Council**

**Kristen Jasinski-Police Department**

**Bob Pape-City Council**

**Joe Segura-Parks and Recreation**

**Tom Weninger- Public Works**

### **15 Years of Service**

**Christine Evans-Hands- City Council**

**Diane Timmons-Parks and Recreation**

**Wes Waller-Police Department**

**Nick Weiler-Police Department**

### **25 Years of Service**

**Donna Shirley-Public Works**



## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Acknowledge receipt of the 2019 Independent Auditor's Report

**SUBMITTED BY:** Donna Oliver, Finance Director

**MEETING DATE:** June 8, 2020

### PROJECT BACKGROUND/DESCRIPTION:

Allen, Gibbs and Houlik, L.C. (AGH) has completed the 2019 audit. The AGH Independent Auditor's Report indicates the financial statements fairly present the financial position of the City in accordance with generally accepted accounting principles. AGH also provided a separate "Required Communications" letter that summarizes the firm's audit responsibilities and observations. Engagement officer Tara Laughlin will be present at the Council meeting via Zoom to provide an overview and answer questions.

Staff has compiled the 2019 Comprehensive Annual Financial Report (CAFR) that includes the Independent Auditor's Report on page 7, Management's Discussion and Analysis on page 9 and Statistical Section on page 77. Printed copies are available upon request and the report will be available on the website at [www.Merriam.org/finance](http://www.Merriam.org/finance). A companion report to the CAFR, the Popular Annual Financial Report (PAFR) will be available later this month.

### CITY COUNCIL GOALS AND OBJECTIVES

2.0 Provide Exceptional Service Delivery

### FINANCIAL IMPACT

**Amount of Request/Contract:** n/a

**Amount Budgeted:** \$28,500

**Funding Source/Account #:** 001.1015.415.33.20 Accounting and Auditing Services

### SUPPORTING DOCUMENTS

- 2019 Comprehensive Annual Financial Report (CAFR)
- Auditor's Required Communications Letter

### ACTION NEEDED/STAFF RECOMMENDATION

City Council acknowledge receipt of the City's 2019 Financial Audit Report

The Honorable Mayor and City Council Members  
**City of Merriam, Kansas**

This letter is to inform the City Council of the City of Merriam, Kansas (the City) about significant matters related to the conduct of our audit as of and for the year ended December 31, 2019, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

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

This letter includes other comments and suggestions with respect to matters that came to our attention in connection with our audit of the City's financial statements. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the City's practices and procedures.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

#### **The Responsibilities of the Auditor and Management**

Our responsibilities under auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide* have been described to you in our arrangement letter dated August 9, 2019. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

#### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication dated January 3, 2020 regarding the planned scope and timing of our audit and have discussed with you our identification of significant risks of material misstatement. We made no significant changes to the scope or timing of our procedures.

#### **Significant Accounting Practices, Including Policies, Estimates and Disclosures**

Our views about the qualitative aspects of the City's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures are indicated herein, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Adoption of, or Change in, Accounting Policies - Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City, and management may select among alternative accounting practices in certain circumstances. The City did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current year.

Significant or Unusual Transactions - We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates - Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the City's financial statements:

- *Compensated absences:* It is the City's policy to permit employees to accumulate certain amounts of vacation and sick leave. The City's policies are discussed in Note I.D.4. As a basis for our conclusions, we obtained a list of accumulated vacation and sick time through December 31, 2019 from the City's payroll system, and recalculated vacation and sick time per City policies for a sample of City employees. In addition, we reviewed total compensated absences by analytically comparing the current year results to prior year history.
- *Total other post-employment benefit (OPEB) liabilities:* The City implements the provisions of GASB 75 by hiring an external actuary to develop an estimate for annual OPEB cost. This amount was then reduced by actual claims paid for retirees, resulting in a total OPEB liability at year-end to record as a liability. As a basis for our conclusions, we reviewed the actuarial report for reasonableness.

Additionally, the City participates in KPERS' death and disability OPEB plan. The City followed guidelines in GASB statement No. 75 for reporting its share of the KPERS' death and disability OPEB plan. This included obtaining an actuary report as of June 30, 2019 provided by KPERS on the City's share of this plan liability. As a basis for our conclusion, we reviewed KPERS' report for reasonableness and verified and recalculated the City's information provided in the report.

- *Net pension liability:* The City followed guidelines in GASB Statement No. 68 for reporting its proportionate share of KPERS' collective net pension liability. This included obtaining KPERS' report on Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2019, which was audited by other auditors. The City compared contributions made by the City to amounts included in this report. As a basis for our conclusions, we reviewed KPERS' report for reasonableness and verified and recalculated the City's information provided in the report.

### **Audit Adjustments**

There were two audit adjustments made to the original trial balance presented to us to begin our audit:

- To reduce accounts payable to actual amounts owed at year-end by \$35,442 in the equipment reserve fund.
- To increase construction in progress assets for vehicles and equipment paid for before year end, but not received until after year end totaling \$68,113.

### **Uncorrected Misstatements**

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

### **Management Representations**

In connection with our audit procedures, we have obtained a written management representation letter. This representation letter constitutes written acknowledgments by management that it has the primary responsibility for the fair presentation of the financial statements in conformity with generally accepted

accounting principles and also includes the more significant and specific oral representations made by officers and employees during the course of the audit. The letter is intended to reduce the possibility of misunderstandings between us and the City and reminds the signing officers to consider seriously whether all material liabilities, commitments and contingencies or other important financial information have been brought to our attention.

### **Other Disclosures**

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit year; we encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements; we are not aware of any consultations management had with other accountants about accounting or auditing matters; no major issues were discussed with management prior to our appointment; and we did not encounter any difficulties in dealing with management relating to the performance of the audit.

### **Other Matters**

#### **Information Security Governance**

Executive managers and those charged with governance must be confident that the entity is protecting your information and the systems that process it. The potential impacts of a failure in the availability, confidentiality or integrity of your critical information assets is monumental in today's environment of cybersecurity breaches.

Many organizations believe their information security practices are adequately mitigating their risks. Unfortunately, they are often surprised to discover those practices are failing to perform as expected and the consequences are usually severe.

Information security is more than a technology issue. It is a governance and management challenge that involves risk management, accountability and reporting. And it requires executive stewardship to ensure the timely assessment of emerging threats and your organization's effective response to them.

Additional information on "Information Risk is Business Risk" can be accessed through our AGH University website located at <http://www.aghuniversity.com/webinars/archived/archived-webinars.aspx> (from the "select a topic" drop-down box, select Information Technology). Additionally, we encourage your management team to take advantage of peer networking groups, trade associations or other resources relating to IT and information risk and the most recent best practices as the constant risk evolves.

Additionally, a structured assessment can help you develop stronger, better and more systematic approaches to your information security. It will help you clearly and objectively understand the strengths and weaknesses in your current information security processes and the extent to which those processes are meeting your needs. Most important, it will guide you with recommendations to help you protect your information, facilities, people and technology.

We believe a review or assessment must be completed on a periodic basis; this assessment can be completed internally or by using an outsourced service provider. Executive managers should be involved with the review and summary reports should also be shared with those charged with governance.

## **Vulnerability Assessment**

In addition to a periodic information system governance review, the entity should also conduct periodic (at least annually or semi-annually) vulnerability assessments. There are more than 100,000 known network vulnerabilities that can leave organizations open to significant risk. High-profile security breaches have become commonplace and many companies are susceptible to the same failures.

Network vulnerability assessments can help you identify and resolve your vulnerabilities before they are exploited by cybercriminals. AGH's experienced security professionals use network vulnerability assessments to discover and analyze known flaws and weaknesses.

Using automated scanners – along with their experience and judgment – our security professionals will identify existing vulnerabilities, evaluate their severity and recommend steps for fixing the underlying problems.

## **Comprehensive Policy and Procedure Review**



Given the broad and deep scope of your operations, you should consider completing a comprehensive evaluation of the adequacy and effectiveness of the entity's internal financial policies, processes and procedures, including a comparison to best practices among organizations the same size.

For entities that have experienced budget cuts in the finance area or those that have experienced turnover, a periodic review of controls is imperative. Even if your finance team has been stable over the years, we remind you that even the best design of controls is only as good as the people who carry out and execute such controls.

Financial policies, procedures and processes are a key element of sound fiscal administration. When policies are effective, they can preserve or enhance the fiscal health and wealth of the organization and create efficiencies for staff members.

This comprehensive evaluation could include:

1. Evaluation of existing controls
2. Identification of financial policies that could lead to vulnerability to fraud and/or abuse
3. For those identified weaknesses and risks, recommendations for improvements

### **AGHUniversity Resources**

As part of AGH's ongoing commitment to serve as a trusted advisor, we offer these resources as a key part of the additional value AGH provides beyond the engagement itself:

- AGHUniversity.com - A full schedule of complimentary CPE or current and relevant topics and other updates to clients throughout the year. Free registration and webinars are available for the Company's staff and board members at [aghuniversity.com](http://aghuniversity.com). A sample of recent topics include Management and Key Position Succession Planning; Destroying the Myths about Employee Engagement; Preventing Fraud in Small and Medium Sized Organizations; Measuring What Matters in Your 401K Plan to Recruitment, Retention and Reward; Planning The Transition: Taking Your Company To Market; and The How and Why of Business Valuations.
- AGH alerts and newsletters - This includes periodic mailings or emails to alert clients to new accounting standards or regulatory changes.
- Also available from the home page of [www.aghlc.com](http://www.aghlc.com) are COVID-19 resources for employers and taxpayers. You can access tax and HR-related alerts, webinars and other third-party resources to help you navigate through the COVID-19 pandemic.

### **Closing**

We will be pleased to respond to any questions you have about this report or set up an introductory meeting to discuss the other recommendations at no charge. We appreciate the opportunity to continue to be of service to the City of Merriam, Kansas.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

May 22, 2020  
Wichita, KS

CITY OF MERRIAM, KANSAS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

2019



The sculpture, "Hmmm..." is designed by Colorado artist Joshua Weiner. Created as a playful exploration of place-making and identity, this fun, new art piece resides at Merriam's Waterfall Park.

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year ended December 31, 2019**

**MERRIAM, KANSAS**

**Prepared by:**

**Donna Oliver  
Finance Director**

**Trish Wertz  
Accountant**

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# CITY OF MERRIAM, KANSAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2019

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May 22, 2020

**To The Honorable Mayor, City Council, and Citizens of the City of Merriam:**

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Merriam, Kansas for the fiscal year ended December 31, 2019. This report is submitted to you in compliance with the provisions of Kansas statutes which require an annual audit.

Responsibility to report financial data that is complete and accurate rests with the management of the City. It is our belief that the information reported in this document fairly presents the financial position of the City in all material aspects on a Government-wide and a Fund basis. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The independent auditing firm of Allen, Gibbs & Houlik, L.C. has audited the City of Merriam's financial statements. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended December 31, 2019, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the Government-wide and Fund Financial Statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The City management's narrative on the financial activities of the City for the fiscal year is in the Management's Discussion and Analysis (MD&A), immediately following the Independent Auditor's Report. This letter of transmittal is written to complement the MD&A and the financial statements, and should be read from that perspective and in conjunction with all other sections of the CAFR.

***Profile of the City***

**General Information:** The City of Merriam is located in northeast Johnson County, approximately eight miles from downtown Kansas City, Missouri, and is part of the metropolitan Kansas City area. The City of Merriam is built at the former location of Merriam Park, a major amusement park in the late 1800's that stood at the site of what is now Shawnee Mission Parkway and Interstate-35. The area was originally settled after the Civil War and now encompasses 4.5 square miles and has a population of 11,178. Merriam was incorporated as a third class city on October 23, 1950 and became a second-class city on January 18, 1957.

The City operates under a non-partisan Mayor/Council form of government with the addition of a City Administrator. More information about elections and appointments may be found in Note I of the Notes to the Financial Statements.

The City of Merriam provides its citizens with a wide variety of services, including: police and fire protection, cultural and recreational activities, construction and maintenance of the City's facilities, parks, street network and drainage systems, snow removal, building and residential code enforcement, city planning and zoning, and court services.

**Component Units:** In evaluating the City as a reporting entity, management has considered all potential component units. Such component units would include organizations for which the primary government is financially accountable, and other organizations whose relationships with the primary government are such that the City's financial statements would be misleading or incomplete if excluded. The definition of the reporting entity is based primarily on financial accountability as distinct from strictly legal relationships. Based on the evaluation criteria, there are no organizations related to the City that should be accounted for in the financial statements

**Budgetary Control:** In addition to accounting and internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the governing body. Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), and the General Obligation Bond Debt Service Fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. See Note II, A, Budgetary Information, in the Notes to the Financial Statements for additional information.

### ***Factors Affecting Financial Condition***

**Local economy:** Total taxable sales within the City increased by 1.5% in 2019. A new Audi automobile dealership opened in late 2019. A new Reed Automotive Jeep Chrysler Dodge Ram dealership will be opened in 2020. An additional automobile dealership is planned in 2021. Eventual development of the former K-Mart site along well-traveled Shawnee Mission Parkway will add to the City's sales tax base.

Overall property valuations for 2019 were up 3.4% primarily due to property revaluations. Commercial values were down 1.4% and residential values up 6.5%. Preliminary 2020 valuations reflect additional increases due to property revaluations. Currently under construction is a new 45-unit multi-family housing subdivision. The subdivision is being built on a currently vacant site at 71<sup>st</sup> Street and Switzer Road. The units will be available for lease in the fall of 2020 and will be restricted to tenants aged 55 and older.

AdventHealth Shawnee Mission (formerly Shawnee Mission Medical Center), one of the Kansas City metro area's top medical centers, is located on a 54-acre campus at 75<sup>th</sup> Street and Interstate-35. The medical center has recently completed a new parking garage, medical office building and the B. E. Smith Family Center. Future projects include renovations to the original hospital tower and operating rooms. While the hospital is exempt from property taxes, it is an important presence in the community.

Total employment in Merriam is estimated at 13,739 jobs, with 338,777 jobs in Johnson County and 1,439,563 in Kansas. The County unemployment rate for 2019 is 2.8% which is lower than the Kansas rate of 3.2%. Two of the County's major employers are located in the City: AdventHealth and Synchrony Financial.

**Long-term financial planning:** Staff prepares five-year forecasts of General Fund balances using current information and trends for revenues and expenditures. The forecasts are used to assess areas of concern for current and future operating budgets. Recent forecasts indicate the City can maintain a General Fund balance of 30% of estimated current revenues through 2025, which meets the requirements of the Reserve and Fund Balance Policy (described below).

Additionally, staff prepares five-year financial projections of its capital improvement program (CIP). The current CIP includes an estimated \$38 million for projects including improvements to city facilities, sidewalk in-fill, storm drainage improvements and reconstruction of major thoroughfares. The City Council receives staff and citizen input on the prioritization of capital improvement needs which is used to set priorities in preparing the CIP.

The CIP is funded by sales tax transfers from the General Fund, a special 0.25% cent City sales tax for streets and stormwater improvements, available tax increment, and supplemental grants from federal, state and county sources. The current CIP plan anticipates that most projects will be completed on a "pay-as-you-go"

basis. However, debt was issued to fund construction of a new recreational facility, described in “Major initiatives”, below.

**Reserves and Contingencies:** City policy states that the fund balance target for the combined General Fund and Risk Management Funds will be 30% to 35% of annual General Fund revenues. As of December 31, 2019, reserves exceed requirements with 46.9% of actual revenues.

**Relevant financial policies:** There were no significant effects in the current year from the application of relevant financial policies.

**Major initiatives:** In February 2018, the City issued \$20,935,000 in general obligation bonds for construction of a new recreational facility at Vavra Park. This voter-approved initiative will include an indoor/outdoor pool, walking/jogging track, a full-sized gym, child watch area, and community meeting rooms. The facility will be completed by summer 2020.

### ***Awards and Acknowledgments***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Merriam for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the twenty-six consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Additionally, the City has received the GFOA’s Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended December 31, 2018. In order to receive this award, a government must publish a Popular Annual Financial report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. The Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the program requirements and we are submitting to the GFOA to determine its eligibility for another award.

The City is also the recipient of the GFOA’s Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning January 1, 2020. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device. The Distinguished Budget Award is valid for a period of one year only. We believe that our current budget continues to conform to program requirements and we are submitting it to the GFOA to determine its eligibility for another award.

We offer special thanks to all City staff who contributed to preparing this report on a timely basis, particularly Trish Wertz, Accountant, and Lauren Bunch, Communications Specialist.

We wish to acknowledge the support given by the Mayor and City Council for their interest in maintaining the highest standard of financial reporting. They have given particular emphasis to the planning and operations of the financial function of the City, resulting in a very responsible and progressive financial operation.



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Christopher Engel  
City Administrator

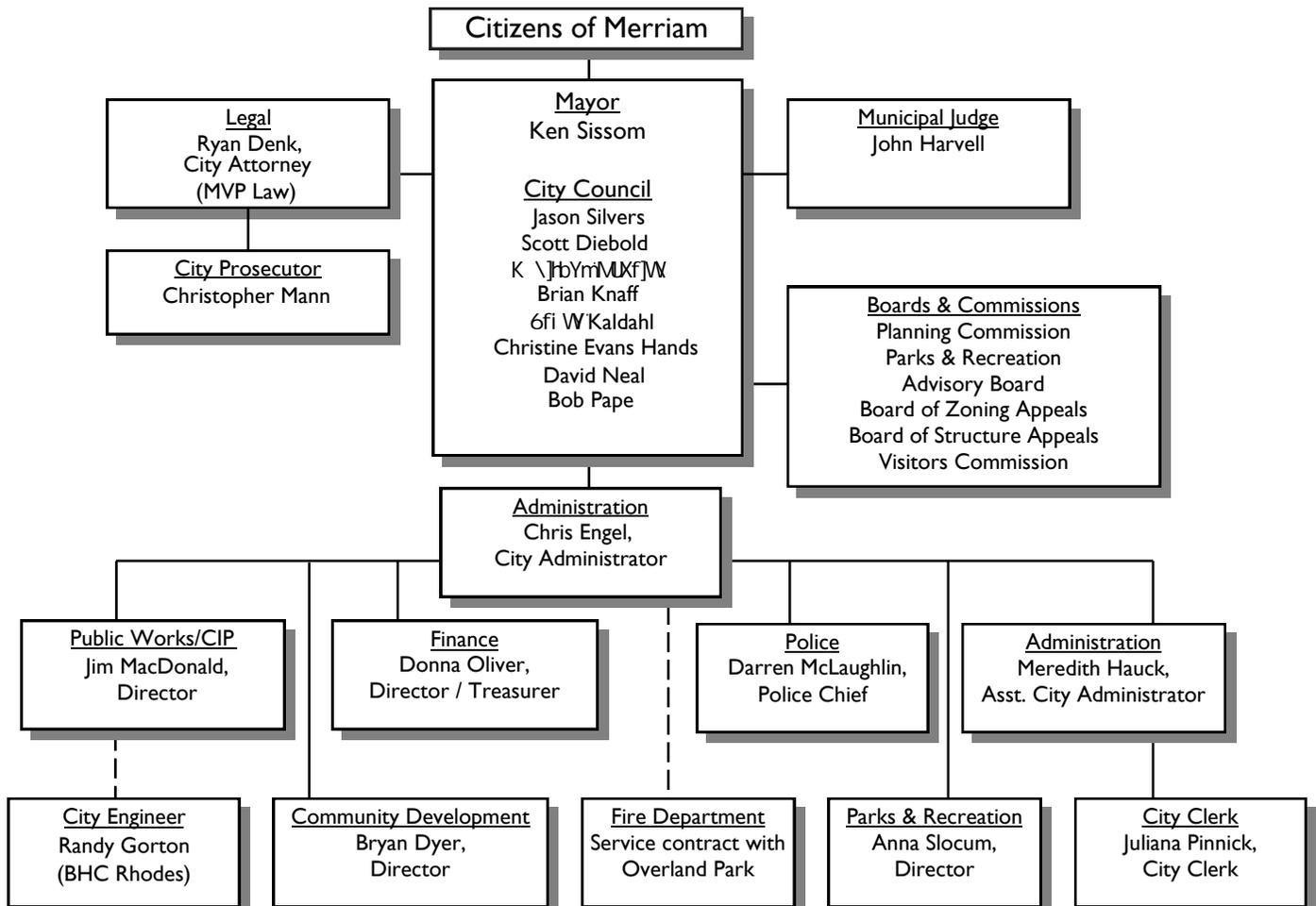


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Donna Oliver  
Finance Director



# City Organizational Chart



## PRINCIPAL OFFICIALS

MAYOR AND CITY COUNCIL	LENGTH OF SERVICE	TERM EXPIRES	POSITION
Ken Sissom	11 Years	2022	Mayor
Jason Silvers	< 1 year	2024	Ward 1
Scott Diebold	5 Years	2022	Ward 1
Whitney Yadrich	< 1 Year	2024	Ward 2
Brian Knaff	3 Years	2022	Ward 2
Bruce Kaldahl	< 1 Year	2024	Ward 3
Christine Evans Hands	15 Years	2022	Ward 3
Bob Pape	5 Years	2024	Ward 4
David Neal	2 Years	2022	Ward 4

APPOINTED OFFICIALS	POSITION	LENGTH OF SERVICE TO CITY	GOVERNMENT SERVICE
Chris Engel	City Administrator	7	14
Meredith Hauck	Assistant City Administrator	3	13
Darren McLaughlin	Police Chief	30	34
Jim MacDonald	Public Works / CIP Director	27	27
Ryan Denk	City Attorney	< 1 year	21
Juli Pinnick	City Clerk	16	22
Donna Oliver	Finance Director / City Treasurer	< 1 year	25
Bryan Dyer	Community Development Director	12	20
Anna Slocum	Parks & Recreation Director	7	18



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Merriam  
Kansas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morrill*

Executive Director/CEO

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members  
**City of Merriam, Kansas**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Merriam, Kansas (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Merriam, Kansas, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

May 22, 2020  
Wichita, Kansas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Merriam's (the City) financial statements provides a narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2019. This discussion follows guidelines prescribed by the Governmental Accounting Standards Board (GASB) Statement 34, which enhances comparability between governments. The information presented here should be read in conjunction with the accompanying basic financial statements and the notes to those basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$139,089,236, an increase of \$7,309,940 to net position.
- Net investment in capital assets increased by \$6,593,184 largely due to construction of the Merriam Community Center and the Vavra Parking Structure which exceeded annual depreciation, net of associated debt.
- Net position restricted for community development decreased by (\$4,501,917) due to construction of the Vavra Parking Structure which was paid for with I-35 TIF funds.
- Outstanding general obligation bonds and associated premiums decreased by (\$2,552,738) due to repayment of outstanding debt.
- The City's governmental funds reported combined ending fund balances of \$41,023,959, a decrease of (\$16,084,141) over the prior year. This decrease was primarily due to spending down bond proceeds in the Capital Improvement Fund for the construction of the Merriam Community Center.
- Fund balance for the General Fund was \$8,731,344, equivalent to 46.9% of revenues for the fund.
- I-35 District Tax Increment Financing (TIF) fund balances decreased due to the construction of the Vavra Parking Structure.

### OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements, which include three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements use the accrual basis of accounting, which means that the current year's revenues and expenses are recorded as they are earned or incurred, regardless of when cash is received or paid. The *Statement of Net Position* presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. These statements include infrastructure assets as well as all known liabilities, including long-term debt. Over time, increases or decreases in net position may serve as a useful

indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* provides information detailing *how* the City's net position changed during the year.

### **Fund Financial Statements**

A fund is a fiscal entity with a set of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to demonstrate compliance with legal requirements, such as state statutes or bond covenants. There are three types of funds: governmental, proprietary, and fiduciary. All of the City's funds are classified as governmental funds. Fund accounting focuses on 1) cash flow and how financial assets can readily be converted to available resources, and 2) the balances left at the end of the fiscal year for future spending. The focus is on the budgetary, short-term financial picture of the reported operations rather than on the longer term economic picture of the City as a whole.

Governmental funds are reported using the *modified accrual* basis of accounting, which measures cash and other financial assets that can readily be converted to cash. Under this basis of accounting, revenues are recognized when they become measurable and available, and expenditures are generally recognized when the related fund liability is incurred. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Therefore, both the government-wide and fund financial statements present different useful aspects of the City's financial picture. They are designed to be compared and interpreted together. The reconciliations at the end of the fund financial statements detail the relationship and differences between the two types of financial statements.

### **Notes to the Basic Financial Statements**

The notes to the basic financial statements are an integral part of the basic financial statements. They provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Required Supplementary Information**

Required budgetary data related to the General Fund, information on the City's defined benefit pensions and other postemployment benefits other than pensions are presented immediately following the notes to the basic financial statements.

### **Other Supplementary Information**

Other information related to combining statements for non-major governmental funds and fund budgetary schedules are presented immediately following the required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

<b>Condensed Statement of Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Current and other assets	\$ 55,088,951	\$ 68,737,279
Capital assets	127,309,752	106,650,238
Total assets	<u>182,398,703</u>	<u>175,387,517</u>
Deferred refunding	11,091	13,985
Deferred outflows - pensions	1,049,763	1,210,403
Deferred outflows - OPEB	15,004	-
Total deferred outflows	<u>1,075,858</u>	<u>1,224,388</u>
Long-term liabilities	29,354,274	31,940,296
Other liabilities	5,026,492	3,167,363
Total liabilities	<u>34,380,766</u>	<u>35,107,659</u>
Deferred property tax receivable	9,225,174	8,654,149
Deferred inflows - pensions	716,917	1,054,749
Deferred inflows - OPEB	62,468	16,052
Total deferred inflows	<u>10,004,559</u>	<u>9,724,950</u>
Net position:		
Net investment in capital assets	110,293,112	103,699,928
Restricted	9,056,394	12,738,762
Unrestricted	19,739,730	15,340,606
Total net position	<u>\$ 139,089,236</u>	<u>\$ 131,779,296</u>

### **Analysis of Net Position**

Net position provides a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$139,089,236 at the close of 2019.

The largest component of the City's net position is \$110,293,112 invested in capital assets (e.g. land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets. These assets are used on an ongoing basis to provide services to citizens, and are thus not available for future spending. The City's investment in its capital assets is reported net of related debt; however, the resources needed to repay this debt must come from other sources. The capital assets themselves cannot be liquidated to satisfy these liabilities.

An additional \$9,056,394 of the City's net position represents resources that are subject to external restrictions on how they may be used. Net position includes \$3,637,291 restricted for street and stormwater improvements using the City's special 0.25% sales tax and state highway funds; \$5,331,419

restricted for community development per state statutes governing TIF and transient guest taxes; \$87,684 restricted for other purposes. Unrestricted net position totals \$19,739,730.

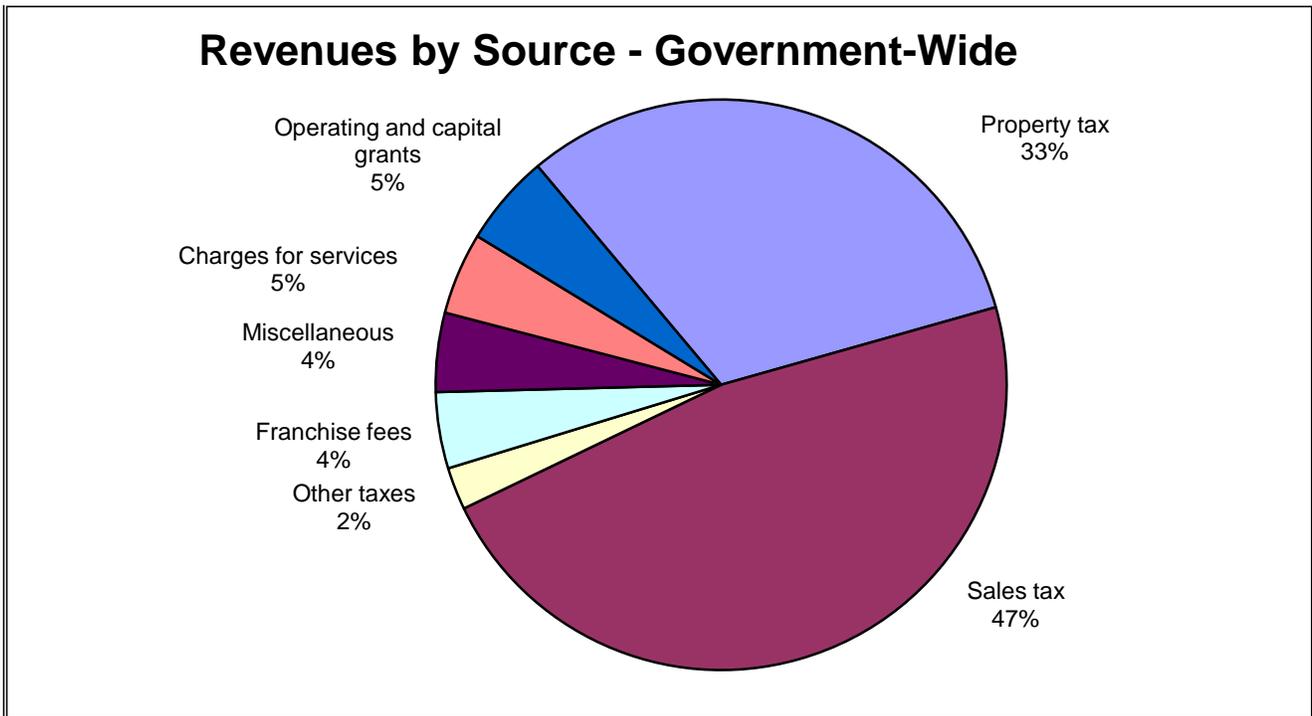
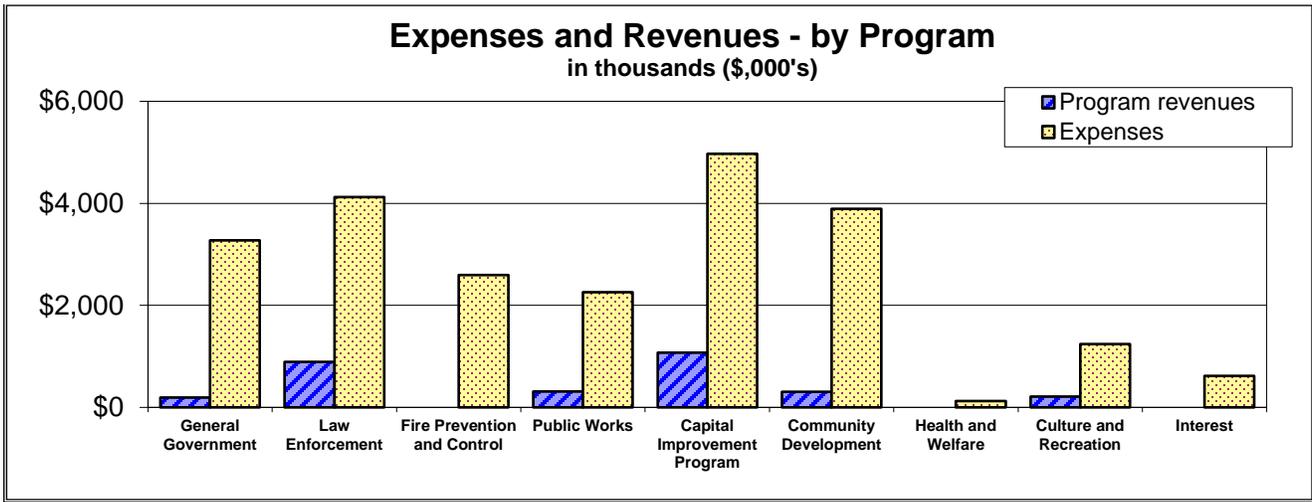
<b>Condensed Statement of Changes in Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Revenues:		
Program revenues:		
Charges for services	\$ 1,412,165	\$ 1,851,277
Operating grants and contributions	368,461	357,502
Capital grants and contributions	1,203,832	839,204
General revenues:		
Property taxes	9,647,937	8,764,851
Sales taxes	14,367,399	14,161,897
Other taxes	732,000	738,263
Franchise fees	1,314,459	1,494,896
Miscellaneous	1,363,852	706,083
Total revenues	<u>30,410,105</u>	<u>28,913,973</u>
Expenses:		
General government	3,275,755	2,937,201
Law enforcement	4,124,425	4,062,208
Fire prevention and control	2,594,107	2,630,810
Public works	2,259,107	2,242,760
Capital improvement program	4,973,229	4,317,753
Community development	3,888,749	6,413,617
Health and welfare	124,399	105,389
Culture and recreation	1,242,345	1,498,179
Interest on long-term debt	618,049	748,631
Total expenses	<u>23,100,165</u>	<u>24,956,548</u>
Increase in net position	7,309,940	3,957,425
Net position - beginning of year	131,779,296	127,893,898
Prior period adjustment	-	(72,027)
Net position - end of year	<u>\$ 139,089,236</u>	<u>\$ 131,779,296</u>

### **Analysis of Changes in Net Position**

Overall net position increased by \$7,309,940. Changes include:

- Net investment in capital assets increased by \$6,593,184 due to construction of projects including the Merriam Community Center and the Vavra Parking Structure. Reduction in general obligation debt associated with capital assets also contributed to the increase.
- Net position restricted for capital projects increased by \$808,795 because collections from the 0.25% City sales tax restricted for street and stormwater projects exceeded usage on planned projects. Balances will be expended in accordance with the 5-Year Capital Improvement Program.

- Net position restricted for community development decreased by (\$4,501,917) due to the construction of the Vavra Parking Structure with I-35 TIF Development funds.
- Unrestricted net position increased \$4,399,124 over the prior year primarily due to an increase in unrestricted Capital Improvement fund balance of \$3,763,442. The increase will accommodate projects programmed in the City's 5-year Capital Improvement Program for City facilities and infrastructure.



The preceding charts illustrate Merriam's governmental expenses and program revenues by function, and revenues by source. The capital improvement program represents the largest portion of 2019 expenses followed by the law enforcement program. Community development expenses were lower in 2019 due to the return of unused Merriam Town Center TIF funds in the current fiscal year. Culture and

recreation expenses were lower due to closing the Merriam swimming pool to construct the new recreation facility.

For governmental activities overall, sales taxes are the largest source of revenue (47%) followed by property taxes (33%). Property taxes were higher in 2019 due to completion of the Merriam Town Center TIF and subsequent transfer of property back on to the tax roll. Franchise fees were lower due a rate reduction by the electric utility. Miscellaneous revenues were higher due to higher interest rates earned on investments and larger balances invested.

## **ANALYSIS OF THE FUND FINANCIAL STATEMENTS**

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

At the end of 2019, the City's governmental funds reported combined ending fund balances of \$41,023,959 including \$14,271,818 restricted by external requirements and laws, \$1,513,706 committed to future capital equipment purchases, \$17,598,230 assigned to capital projects, risk management and other. Additionally, \$7,640,205 in unassigned funds are available for use at the City's discretion.

The General Fund is the primary operating fund for the City. At the end of 2019, total fund balance of the General Fund was \$8,731,344. The fund balance increased by \$764,611 during the fiscal year due to lower than expected expenditures.

The Capital Improvement Fund balance decreased by (\$11,891,637) largely due to expending bond proceeds to construct a new recreational facility.

The General Obligation Bond Fund increased by \$169,009. Scheduled transfers from the Capital Improvement Fund and the ¼ cent sales tax designated to construction a new recreation facility supplied amounts necessary to satisfy annual debt service requirements.

The I-35 TIF District Fund decreased by (\$4,444,954) due to expenditures for the construction of a parking structure.

Other Governmental Funds had an overall decrease of (\$681,170). Special Highway Fund decreased by (\$152,301) due to use on street overlay projects. Transient Guest Tax Fund declined (\$56,963) due to a planned spend down of fund balance. Equipment Reserve Fund decreased (\$482,660) due to the purchase of a new fire truck and other equipment.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City's budget was not amended during 2019; therefore, the original budget and the final budget are the same. Variances between the final budget and actual amounts are not expected to impact either liquidity or future services. Some under budget expenditure variances occur due to staff vacancies and the use of estimates for employee benefit rates such as medical insurance and workers compensation. Additionally, the City budgets for reserves and contingency, but does not expect to expend more than a small amount of these funds, creating positive budget variances each year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

Capital assets include land, buildings, improvements, equipment, drainage improvements, streets, bridges, streetlights, and traffic signals. As of December 31, 2019, the City’s investment in capital assets was \$127,309,752. This total increased by \$20,659,514 due to project construction activity, net of current year depreciation. Completed projects include Johnson Dr. Reconstruction, Sidewalk Infill (Phase II), Owen Heights Corrugated Metal Pipe Replacement, and Police Department Facility Improvements.

	<b>Capital Assets (net of depreciation)</b>	
	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Land	\$ 13,791,159	\$ 13,791,159
Artwork	24,000	24,000
Construction in progress	24,987,399	3,508,400
Buildings	7,774,573	8,121,638
Improvements other than buildings	3,862,847	4,067,534
Equipment	4,065,089	3,585,079
Infrastructure	72,804,685	73,552,428
Total	<u>\$ 127,309,752</u>	<u>\$ 106,650,238</u>

Construction in progress for 2019 includes Recreation Facility Construction and Vavra Parking Structure. Additional information about the City’s capital assets may be found in Note III. B. to the financial statements.

**Long-Term Debt**

At December 31, 2019 long-term debt totaled \$29,354,274, including general obligation bonds backed by the full faith and credit of the City. Total long-term debt decreased by (\$2,586,022) during the fiscal year due to retirement of outstanding debt.

Kansas statutes limit the amount of general obligation debt of a governmental entity to 30% of its total assessed valuation. The current debt limitation for the City is \$66,174,029. Additional information on the City’s long-term debt can be found in Note III. C. of the financial statements.

	<b>Outstanding Bonds</b>	
	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
General obligation bonds	\$ 19,385,000	\$ 21,585,000
Total	<u>\$ 19,385,000</u>	<u>\$ 21,585,000</u>

## **Economic Factors**

Merriam's location along the highly visible Interstate-35 corridor in Kansas City contributes to strong retail sales per square mile. In 2019, City businesses generated an estimated \$839 million in taxable retail sales. This translates into approximately \$186 million in sales per square mile and is due largely to the success of several large auto dealerships, the Merriam Town Center retail shops, and IKEA home furnishing store.

The City has several tax increment financing agreements with developers including:

- **IKEA Merriam:** The 360,000 square foot IKEA home furnishing store at I-35 and Johnson Drive opened in September 2014, as scheduled. The City committed \$19.9 million, of which \$13.0 million is still outstanding, in future sales and property tax increments to IKEA Property, Inc., a "destination-retailer", who attracts shoppers from throughout the region.
- **Merriam Village:** This 17-acre site located near Johnson Drive and I-35 includes a 55,000 square foot Hobby Lobby (craft and home décor), Quik Trip convenience store, and four fast food restaurants. The City has committed to provide future property tax increments to Developers' Diversified Realty, Inc.
- **Merriam Pointe:** This 35-acre development located at the southwest corner of 67<sup>th</sup> Street and I-35 includes four major auto dealerships. Additionally, a local developer plans to transform a drainage area into a buildable lot for another dealership. The City has committed to provide property tax increments to developers of this project area.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide an overview of the City's finances for all interested parties. Questions concerning any of the information provided in the report or requests for additional information should be directed to the Finance Director, City of Merriam, 9001 W. 62<sup>nd</sup> Street, Merriam, KS 66202.

**BASIC  
FINANCIAL STATEMENTS**

# City of Merriam, Kansas

## Statement of Net Position

December 31, 2019

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash, including investments	\$ 42,701,611
Receivables (net of allowance for uncollectibles):	
Property taxes	9,225,174
Sales and other taxes	2,744,859
Intergovernmental	180,385
Interest and other	236,922
Capital assets:	
Land and construction in progress	38,802,558
Other capital assets, net of depreciation	88,507,194
Total assets	<u>182,398,703</u>
 <b>Deferred Outflows of Resources</b>	
Deferred refunding	11,091
Deferred outflows - OPEB	15,004
Deferred outflows - pensions	1,049,763
Total deferred outflows of resources	<u>1,075,858</u>
 <b>Liabilities</b>	
Accounts payable	4,524,939
Accrued payroll	277,022
Interest payable	224,531
Long-term liabilities:	
Due within one year	3,058,927
Due in more than one year	26,295,347
Total liabilities	<u>34,380,766</u>
 <b>Deferred Inflows of Resources</b>	
Deferred property tax receivable	9,225,174
Deferred inflows - pensions	716,917
Deferred inflows - OPEB	62,468
Total deferred inflows of resources	<u>10,004,559</u>
 <b>Net Position</b>	
Net investment in capital assets	110,293,112
Restricted for:	
Capital projects	3,637,291
Community development	5,331,419
Other purposes	87,684
Unrestricted	19,739,730
Total net position	<u>\$ 139,089,236</u>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Merriam, Kansas**  
Statement of Activities  
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
<b>Governmental activities:</b>					
General government	\$ 3,275,755	\$ 193,366	\$ -	\$ -	\$ (3,082,389)
Law enforcement	4,124,425	758,238	34,084	100,972	(3,231,131)
Fire prevention and control	2,594,107	-	-	-	(2,594,107)
Public works	2,259,107	-	308,663	-	(1,950,444)
Capital improvement program	4,973,229	-	-	1,071,000	(3,902,229)
Community development	3,888,749	273,834	-	31,860	(3,583,055)
Health and welfare	124,399	-	-	-	(124,399)
Culture and recreation	1,242,345	186,727	25,714	-	(1,029,904)
Interest on long-term debt	618,049	-	-	-	(618,049)
Total primary government	<u>\$ 23,100,165</u>	<u>\$ 1,412,165</u>	<u>\$ 368,461</u>	<u>\$ 1,203,832</u>	<u>(20,115,707)</u>
<b>General revenues:</b>					
Taxes:					
Property taxes levied for:					
General purposes					5,271,623
Debt service					235,664
Tax increment financing					4,140,650
Sales taxes					14,367,399
Transient guest taxes					439,149
Other taxes					292,851
Franchise fees					1,314,459
Intergovernmental not restricted to a specific program					25,714
Investment earnings					1,106,010
Miscellaneous					232,128
Total general revenues					<u>27,425,647</u>
Change in net position					7,309,940
<b>Net position-beginning</b>					<u>131,779,296</u>
<b>Net position-ending</b>					<u>\$ 139,089,236</u>

The accompanying notes are an integral part of the basic financial statements.

**City of Merriam, Kansas**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2019**

	General	Capital Improvement	General Obligation Bonds	I-35 District TIF	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Cash, including investments	\$ 7,952,314	\$ 27,054,136	\$ 191,846	\$ 5,182,964	\$ 2,320,351	\$ 42,701,611
Receivables (net of allowance for uncollectibles)						
Property taxes	4,384,441	-	170,311	4,670,422	-	9,225,174
Sales and other taxes	1,959,589	333,908	333,908	-	117,454	2,744,859
Intergovernmental	-	85,954	-	-	94,431	180,385
Interest and other	132,338	36,832	-	64,453	3,299	236,922
Due from other funds	-	380,997	-	-	-	380,997
Total Assets	<u>\$ 14,428,682</u>	<u>\$ 27,891,827</u>	<u>\$ 696,065</u>	<u>\$ 9,917,839</u>	<u>\$ 2,535,535</u>	<u>\$ 55,469,948</u>
<b>Liabilities:</b>						
Accounts and retainage payable	\$ 955,174	\$ 2,948,868	\$ -	\$ 520,554	\$ 100,343	\$ 4,524,939
Accrued payroll and related liabilities	263,869	3,772	-	-	9,381	277,022
Due to other funds	55,997	-	325,000	-	-	380,997
Total Liabilities	<u>1,275,040</u>	<u>2,952,640</u>	<u>325,000</u>	<u>520,554</u>	<u>109,724</u>	<u>5,182,958</u>
<b>Deferred Inflows of Resources:</b>						
Deferred property tax receivable	4,384,441	-	170,311	4,670,422	-	9,225,174
Unavailable revenue - accounts receivable	37,857	-	-	-	-	37,857
Total deferred inflows of resources	<u>4,422,298</u>	<u>-</u>	<u>170,311</u>	<u>4,670,422</u>	<u>-</u>	<u>9,263,031</u>
<b>Fund Balances:</b>						
Restricted	-	8,441,863	200,754	4,726,863	902,338	14,271,818
Committed	-	-	-	-	1,513,706	1,513,706
Assigned	1,091,139	16,497,324	-	-	9,767	17,598,230
Unassigned	7,640,205	-	-	-	-	7,640,205
Total fund balances	<u>8,731,344</u>	<u>24,939,187</u>	<u>200,754</u>	<u>4,726,863</u>	<u>2,425,811</u>	<u>41,023,959</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,428,682</u>	<u>\$ 27,891,827</u>	<u>\$ 696,065</u>	<u>\$ 9,917,839</u>	<u>\$ 2,535,535</u>	<u>\$ 55,469,948</u>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Merriam, Kansas**  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 December 31, 2019

Amounts reported for governmental activities in the statement of net position are different because:

<b>Total fund balance -- governmental funds</b>		<b>\$ 41,023,959</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 208,745,230	
Accumulated depreciation	<u>(81,435,478)</u>	127,309,752
Other deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds.		
Deferred refunding	11,091	
Deferred outflows - OPEB	15,004	
Deferred outflows - pensions	<u>1,049,763</u>	1,075,858
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
General obligation bonds payable	(19,385,000)	
Premium on bonds payable	(2,657,401)	
Accrued interest payable on the bonds	(224,531)	
Compensated absences	(527,889)	
Total OPEB liability	(230,280)	
Net pension liability	(6,548,704)	
Claims and judgments	<u>(5,000)</u>	(29,578,805)
Other deferred inflows of resources do not increase net position until a future period and therefore are not reported in the funds.		
Deferred inflows - pensions	(716,917)	
Deferred inflows - OPEB	<u>(62,468)</u>	(779,385)
Certain accounts receivable resulting from charges for services are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are recognized as revenue in the entity-wide statements as soon as the related service has been provided.		
		<u>37,857</u>
<b>Total net position -- governmental activities</b>		<b><u><u>\$ 139,089,236</u></u></b>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Merriam, Kansas**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	General	Capital Improvement	General Obligation Bonds	I-35 District TIF	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Ad valorem taxes	\$ 5,271,623	\$ -	\$ 235,664	\$ 4,140,650	\$ -	\$ 9,647,937
Sales tax	10,428,173	1,969,613	1,969,613	-	-	14,367,399
Transient guest tax	-	-	-	-	439,149	439,149
Other taxes	-	-	-	292,851	-	292,851
Intergovernmental	34,084	1,102,860	-	-	461,063	1,598,007
Licenses, permits and fees	467,200	-	-	-	-	467,200
Franchise fees	1,314,459	-	-	-	-	1,314,459
Charges for services	117,958	-	-	-	68,769	186,727
Fines, forfeitures and penalties	757,801	-	-	-	437	758,238
Earnings on investments	114,793	747,172	4,882	180,591	31,863	1,079,301
Net increase (decrease) in the fair value of investments	10,296	13,874	-	1,269	1,270	26,709
Other	108,818	1,087	-	86,213	2,971	199,089
Total revenues	<u>18,625,205</u>	<u>3,834,606</u>	<u>2,210,159</u>	<u>4,701,574</u>	<u>1,005,522</u>	<u>30,377,066</u>
<b>Expenditures:</b>						
Current:						
General government	2,902,017	71,335	-	-	243,818	3,217,170
Law enforcement	3,915,812	-	-	-	100,968	4,016,780
Fire prevention and control	2,319,705	-	-	-	912,490	3,232,195
Public works	2,065,674	-	-	-	576,447	2,642,121
Capital improvement program	-	374,333	-	-	-	374,333
Community development	742,695	-	-	2,723,796	364,498	3,830,989
Health and welfare	104,399	-	-	-	27,682	132,081
Culture and recreation	765,305	-	-	-	211,424	976,729
Capital outlay	-	18,890,562	-	6,007,732	-	24,898,294
Debt service:						
Principal retirement	-	-	2,200,000	-	-	2,200,000
Interest and other	-	-	991,150	-	-	991,150
Bond issuance costs	-	-	-	-	-	-
Total expenditures	<u>12,815,607</u>	<u>19,336,230</u>	<u>3,191,150</u>	<u>8,731,528</u>	<u>2,437,327</u>	<u>46,511,842</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,809,598</u>	<u>(15,501,624)</u>	<u>(980,991)</u>	<u>(4,029,954)</u>	<u>(1,431,805)</u>	<u>(16,134,776)</u>
<b>Other financing sources (uses):</b>						
Proceeds from sale of capital assets	-	-	-	-	50,635	50,635
Transfers in	-	4,759,987	1,150,000	-	700,000	6,609,987
Transfers out	(5,044,987)	(1,150,000)	-	(415,000)	-	(6,609,987)
Total other financing sources (uses)	<u>(5,044,987)</u>	<u>3,609,987</u>	<u>1,150,000</u>	<u>(415,000)</u>	<u>750,635</u>	<u>50,635</u>
Net change in fund balances	764,611	(11,891,637)	169,009	(4,444,954)	(681,170)	(16,084,141)
<b>Fund balances at beginning of year</b>	<u>7,966,733</u>	<u>36,830,824</u>	<u>31,745</u>	<u>9,171,817</u>	<u>3,106,981</u>	<u>57,108,100</u>
<b>Fund balances at end of year</b>	<u>\$ 8,731,344</u>	<u>\$ 24,939,187</u>	<u>\$ 200,754</u>	<u>\$ 4,726,863</u>	<u>\$ 2,425,811</u>	<u>\$ 41,023,959</u>

*The accompanying notes are an integral part of the basic financial statements.*

## City of Merriam, Kansas

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of activities are different because:

**Net change in fund balances -- total governmental funds** \$ (16,084,141)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which assets capitalized exceeded depreciation in the current period.

Depreciation expense	\$	(5,194,179)	
Capital assets capitalized		26,705,372	21,511,193

In the statement of activities, the gain or loss from the sale of capital assets is reported, whereas in the governmental funds, only any proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of capital assets sold. (851,678)

Payments received on certain receivables are recognized as revenue when received in the fund. However, in the statement of net position, revenue is recognized as earned. (17,598)

Deferred refunding on bonds payable decreases the current financial resources to governmental funds but result in a deferred outflow of resources in the statement of net position. (2,894)

The amortization of bond premiums decreases the long term liabilities in the statement of net position but does not provide current financial resources to the governmental funds. 352,738

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.  
     General obligation bonds 2,200,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 23,257

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for this item is measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the following difference was noted:  
     Compensated absences benefits paid exceed benefits earned. 52,304

Payment of benefit payments is an expenditure in the governmental funds, but reduces the total OPEB liability in the statement of net position. Additionally, the effects of changes in deferred inflows and deferred outflows for OPEB are only recorded in the statement of activities. (18,449)

Payment of pension contributions is an expenditure in the governmental funds, but reduces the net pension liability in the statement of net position. Additionally, the effects of changes in deferred inflows and deferred outflows for pensions are only recorded in the statement of activities. 145,208

**Change in net position of governmental activities** \$ 7,309,940

*The accompanying notes are an integral part of the basic financial statements.*

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**NOTES TO THE  
BASIC  
FINANCIAL STATEMENTS**

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Merriam, Kansas (the City), was incorporated as a third-class city on October 28, 1950 and was made a second-class city on January 18, 1957. The City, with a population of 11,178, is located in northeast Johnson County and covers 4.5 square miles.

The City operates under a non-partisan Mayor-Council form of government with the addition of a City Administrator. The Mayor is elected on an at-large basis and serves a four-year term. The eight Council Members are elected by ward (two represent each of four wards) and serve four-year terms of office. The City Administrator is appointed by the Mayor and City Council as the chief administrative officer of the City and is charged with the efficient and effective administration of the City.

The City provides a host of services including general government, law enforcement, fire prevention and control, public works, community development, health and welfare, and cultural and recreation.

The accounting and reporting policies of the City of Merriam, Kansas conform to accounting principles generally accepted in the United States of America. The more significant accounting and reporting policies and practices employed by the City are as follows:

#### A. Reporting Entity

Generally accepted accounting principles require that the basic financial statements present the City (the primary government) and its component units. Component units are required to be included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Based on the evaluation criteria, there are no component units related to the City which should be accounted for in the basic financial statements.

#### B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

#### **Government-wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the City as a whole. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions. Eliminations of interfund charges and balances have been made in these statements to minimize the double-counting of internal activities. However, interfund services provided and used are not eliminated in the process of consolidation.

The Statement of Activities presents a comparison between direct expenses and program revenues for each program of the governmental activities. Direct expenses are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Basis of Presentation (Continued)

program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

The City's net position is reported in three parts— net investment in capital assets; restricted net position; and unrestricted net position. The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities. The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government.

#### **Fund Financial Statements**

Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The major governmental funds of the City are described below:

General Fund is the main operating fund of the City. The fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Improvement Fund is used to account for the construction of street, stormwater, community center and other improvements financed with the special ¼-cent City sales tax, General Fund sales tax transfers, and grants and contributions from outside agencies.

General Obligation Bonds Fund is used to account for resources to be used for the payment of principal, interest and related costs of the general obligation bonds and certain other long-term obligations of the City. The fund is also financed with a special ¼-cent City sales tax to fund the community center debt service payments.

I-35 District Tax Increment Financing (TIF) Fund is used to account for ad valorem and sales tax revenues received from the property and sales tax increments in this redevelopment district. The fund accounts for the payment of eligible public and private project costs, including the principal and interest on developer contractual obligations. This fund is considered a special revenue fund.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the City are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the budget year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are budgeted to finance the subsequent year's operations and, consequently, are not susceptible to accrual. Sales taxes collected and held by merchants and/or the State at year-end on behalf of the City are recognized as revenue. Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unrestricted aid is reported as revenue in the fiscal year during which the entitlement is received.

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

##### 1. *Deposits and Investments*

K.S.A. 12-1667 authorizes the City to invest moneys not regulated by other statutes in time deposits, repurchase agreements consisting of obligations insured by the U.S. government or any agency thereof, U.S. Treasury bills or notes with maturities not exceeding two years, and the Kansas Municipal Investment Pool. As permitted by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City reflects investments with a maturity of one year or longer at the time of purchase at fair value and those maturing in less than one year at the time of purchase at amortized cost, which approximates fair value. Investments are reported at fair value based on quoted market prices.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

The investments of proceeds of long-term debt are governed by specific statutes and authorize the City to invest in the following:

- Investments authorized by K.S.A. 12-1675
- Direct obligations of the U.S. government or any other agency thereof
- Money market funds comprised entirely of obligations of the U.S. Treasury and agencies thereof
- Obligations of any municipality of Kansas
- Investment agreements with a financial institution rated in the three highest rating categories by Moody's or Standard and Poor's.

The City pools temporarily idle cash from all funds for investments purposes. Each fund's portion of the pool is shown on the Statement of Net Position as deposits and investments. Deposits during the year included cash in interest bearing and demand bank accounts. Interest is allocated to each fund based on the respective invested balance.

Investments are measured at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

#### 2. *Receivables*

Property tax receivable - In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are recorded as taxes receivable with a corresponding amount recorded as a deferred inflow of resources on the balance sheets of the appropriate funds. It is not practical to apportion delinquent taxes held by the County Treasurer as of December 31, 2019. Estimated delinquencies are insignificant and have not been recorded.

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)**

**3. Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets (i.e. roads, street lights, storm sewers, etc.), are reported in the applicable governmental activities column in the government-wide financial statements. In the governmental fund statements, capital assets are charged to expenditures as purchased. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value as of the date of the donation.

Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more (\$100,000 for streets and bridges, \$25,000 for sidewalks, parking lots, jogging trails, and drainage structures) and a useful life greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Assets, which have been acquired with funds received through grants, must be used in accordance with the terms of the grant.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40 years
Improvements other than buildings	5-20 years
Equipment	3-20 years
Infrastructure	20-50 years

**4. Compensated Absences**

The City's policies allow up to 240 hours of vacation leave to be carried over into the next year for full-time employees. This carryforward is payable upon separation from service. The liability of \$367,054 for vacation leave at December 31, 2019 is reported in the government-wide financial statements, but not in the governmental fund financial statements as it is not estimated to be payable from expendable available resources.

Sick leave is earned at the rate of one day per month for full-time employees, with a maximum accumulation of 520 hours for full-time employees. Upon separation from service after 10 years retirement, employees are compensated up to 30% of the accumulated balance.

The liability of \$160,835 for sick leave at December 31, 2019 is reported in the government-wide financial statements, but not in the governmental fund financial statements as it is not estimated to be payable from expendable available resources.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

##### 5. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### 6. *Pensions*

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan's net fiduciary position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expense, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERs) and additions to/deductions from KPERs' fiduciary net position have been determined on the same basis as they are reported by KPERs. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### 7. *Fund Equity*

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

In the governmental funds, equity is shown as fund balance and classified into five components:

- (1) Nonspendable - Nonspendable consists of amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained.
- (2) Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions or enabling legislation.
- (3) Committed - This classification consists of amounts that can be used only for the specific purposes imposed by an ordinance made by the City Council and cannot be used for any other purpose unless removed or changed by taking the same type of action that previously committed those amounts.
- (4) Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by the City Council or a City official delegated that authority. The City Council has designated authority to the City Administrator to assign amounts to be used for specific purposes as prescribed by the City's Fund Balance and Expenditure Authorization policies. Encumbrances are considered as assigned unless they specifically meet the requirements to be restricted or committed.
- (5) Unassigned - This consists of the residual balance for the general fund not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from expenditures exceeding amounts that had been restricted, committed or assigned.

The City applies restricted resources first to finance qualifying expenditures, when either restricted or unrestricted amounts are available. For unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts.

The City's fund balance policy states that the fund balance target for the combined general fund and risk management fund is 30% to 35% of budgeted annual general fund revenues.

#### 8. *Deferred Inflows of Resources and Deferred Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category in the government-wide statement of net position, deferred charge on refunding, deferred outflows for pension and deferred outflows for OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note IV. D. and Note IV. E., respectively, for more information on the deferred outflows for pensions and OPEB.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items, unavailable revenue, deferred revenue, deferred inflows for pensions and deferred inflows for OPEB that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: accounts receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied. Deferred inflows for pensions and OPEB, are reported on the government-wide statement of net position. See Notes IV. D. and IV. E., respectively, for more information on these deferred inflows.

##### 9. *Net Position*

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. *Net investment in capital assets*, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as *restricted* when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriations.

##### 10. *Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect: (1) the reported amounts of assets and liabilities, (2) disclosures such as contingencies, and (3) the reported amounts of revenues and expenses included in such financial statements. Actual results could differ from those estimates.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary Information

Kansas statutes require budgets be adopted for all funds, unless exempted by a specific statute. The statutes provide for the following sequence and timetable in the adoption of the legal budget.

1. Preparation of the budget for the current fiscal year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at any time. There were no budget amendments in 2019.

The statutes establish the overall budget level of control at the fund level by prohibiting expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. City Council approval is required for over expenditures or transfers of personal services line items. The City Administrator is authorized to approve over expenditures or transfers of budgeted appropriations of all other individual departmental line items. Also, management may not amend a fund's budgeted expenditures without Council approval. Spending in funds that are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the City for future payments such as purchase orders or contracts.

A legal operating budget is not required for the following funds: Capital Improvement Fund, Special Law Enforcement, and I-35 District TIF.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

*Custodial Credit Risk.* The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For deposits, the City's policy follows state statutes which require pledged collateral with a fair value equal to 100% of the funds on deposit, less insured amounts, and that the collateral be held in safekeeping in the City's name at other than the depository financial institution. To comply with the statutes, the City requires the issuance of joint custody receipts as evidence of the pledged collateral. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy requires that securities be held by the City's agent.

At December 31, 2019, the City's deposits were covered by federal depository insurance or were fully collateralized by securities held by the City's agent in the City's name.

At December 31, 2019, the U.S. Government agency securities and municipal bonds were held by the City's financial institution in the City's name.

*Credit Risk.* The City's policy on credit risk follows the statutory limitations on the allowable investments, which inherently reduces its credit risk. The City's investment policy does not impose any additional limitations. Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations to the holder of the investment. This risk can be measured by the assignment of a rating by a nationally recognized statistical rating organization. As of December 31, 2019, the City's investments consisting of U.S. agency obligations not directly guaranteed by the U.S. government included only instruments rated AA+ by Standard & Poor's. The City also holds investments in municipal bonds. For investments in municipal bonds, 100% are rated AA by Standard & Poor's.

*Concentration of Credit Risk.* The City's investment policies limit the amounts that can be invested in certain investment types and include having no more than 65% invested in U.S. agency securities that do not carry an explicit full faith and credit pledge, 25% in investment pools and money market funds, 25% in repurchase agreements and 35% invested in Kansas municipal securities. Investments that represent more than 5% of the City's investments consist of the Federal Home Loan Bank – 49%, Federal Home Loan Mortgage Corporation – 9% and Federal Farm Credit Bank – 15%.

*Interest Rate Risk.* As a means of managing its exposure to fair value losses arising from increasing interest rates, the City's investment policy follows state statutes which generally limit investment maturities to two years. To minimize the risk of loss, the City matches investments to anticipated cash flows and diversifies the investment types to the extent practicable. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

*Fair Value Measurements.* The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

Level 1 inputs are quoted prices in active markets for identical assets;

Level 2 inputs are significant other observable inputs, either directly or indirectly observable, and fair value can be determined through the use of models or other valuation methodologies;

Level 3 inputs are significant unobservable inputs in situations where there is little or no market activity for the asset or liability and the entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The City has the following recurring fair value measurements as of year-end:

U.S. Treasury bills are valued using quoted market prices (Level 1 inputs).

Municipal bonds and U.S. government agencies are valued at Level 2 using pricing models that maximize the use of observable inputs for similar securities.

As of December 31, 2019, the City had the following investments and maturities:

Investment Type	Investment maturities (in Years)			Fair Value Hierarchy
	Fair Value	Less than 1	1-5	
Municipal bonds	\$ 100,256	\$ 100,256	\$ --	Level 2
U.S. government agencies	24,547,258	14,793,565	9,753,693	Level 2
U.S. treasury bills	<u>7,432,887</u>	<u>7,432,887</u>	<u>--</u>	Level 1
Total	<u>\$ 32,080,401</u>	<u>\$ 22,326,708</u>	<u>\$ 9,753,693</u>	

Deposits and investments at December 31, 2019 appear in the financial statements as summarized below:

Carrying amount of deposits	\$ 10,621,210
Carrying amount of investments	<u>32,080,401</u>
Total	<u>\$ 42,701,611</u>

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets**

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance January 1, 2019	Increases	Decreases	Balance December 31, 2019
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 13,791,159	\$ --	\$ --	\$ 13,791,159
Artwork	24,000	--	--	24,000
Construction in progress	3,508,400	25,504,538	4,025,539	24,987,399
Total capital assets, not being depreciated	<u>17,323,559</u>	<u>25,504,538</u>	<u>4,025,539</u>	<u>38,802,558</u>
Capital assets, being depreciated:				
Buildings	14,596,272	--	--	14,596,272
Improvements other than buildings	6,101,229	119,699	5,385	6,215,543
Equipment	8,242,541	1,208,415	841,447	8,609,509
Infrastructure	139,066,549	3,898,259	2,443,460	140,521,348
Total capital assets being depreciated	<u>168,006,591</u>	<u>5,226,373</u>	<u>3,290,292</u>	<u>169,942,672</u>
Less accumulated depreciation for:				
Buildings	6,474,634	347,065	--	6,821,699
Improvements other than buildings	2,033,695	321,783	2,782	2,352,696
Equipment	4,657,462	563,969	677,011	4,544,420
Infrastructure	65,514,121	3,961,362	1,758,820	67,716,663
Total accumulated depreciation	<u>78,679,912</u>	<u>5,194,179</u>	<u>2,438,613</u>	<u>81,435,478</u>
Total capital assets, being depreciated, net	<u>89,326,679</u>			<u>88,507,194</u>
Governmental activities capital assets, net	<u>\$ 106,650,238</u>	<u>\$ 25,536,732</u>	<u>\$ 4,877,218</u>	<u>\$ 127,309,752</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 139,097
Law enforcement	305,495
Fire prevention and control	112,933
Public works	264,646
Capital improvement program	4,022,103
Community development	71,675
Culture and recreation	278,230
Total depreciation expense	<u>\$ 5,194,179</u>

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Long-Term Debt**

Long-term liability activity for the year ended December 31, 2019 was as follows:

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Due within one year
General obligation bonds	\$ 21,585,000	\$ --	\$ 2,200,000	\$ 19,385,000	\$ 2,310,000
Premium on bonds	3,010,139	--	352,738	2,657,401	352,739
Claims and judgments	5,000	5,899	5,899	5,000	5,000
Compensated absences	580,193	520,398	572,702	527,889	391,188
Net pension liability	6,516,721	1,326,295	1,294,312	6,548,704	--
Total OPEB liability	<u>243,243</u>	<u>42,869</u>	<u>55,832</u>	<u>230,280</u>	<u>--</u>
Total	<u>\$ 31,940,296</u>	<u>\$ 1,895,461</u>	<u>\$ 4,481,483</u>	<u>\$ 29,354,274</u>	<u>\$ 3,058,927</u>

Compensated absences, claims and judgments, net pension liability and OPEB are liquidated in the General Fund.

The general obligation bonds to be paid with tax levies were issued to construct or acquire capital assets.

General obligation bonds consisted of \$7,300,000 Series 2012 bonds which were issued on March 1, 2012 with interest rates ranging from 1.25-2.00% and mature on October 1, 2023. Outstanding balance of the Series 2012 bonds at December 31, 2019 was \$2,195,000.

General obligation bonds consisted of \$20,935,000 Series 2018 bonds which were issued on February 15, 2018 with interest rates ranging from 3.00-5.00% and mature on October 1, 2027. Outstanding balance of the Series 2018 bonds at December 31, 2019 was \$17,190,000.

The annual debt service requirements to amortize the general obligation bonds outstanding as of December 31, 2019 are as follows:

Year	Principal	Interest
2020	\$ 2,310,000	\$ 898,125
2021	2,420,000	800,475
2022	2,545,000	696,700
2023	2,680,000	587,650
2024	2,190,000	471,500
2025 - 2027	<u>7,240,000</u>	<u>736,000</u>
Total	<u>\$ 19,385,000</u>	<u>\$ 4,190,450</u>

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### C. Long-Term Debt (Continued)

##### Tax Increment Contractual Obligations

On August 22, 1994 the City established the I-35 Redevelopment District (the District) pursuant to Kansas Statute Annotated 12-1771. Real property taxes produced from that portion of the current assessed valuation of real property within the District in excess of the base year assessed valuation (the tax increment) are reported as ad valorem taxes in the I-35 District Tax Increment Financing Fund. These ad valorem taxes can be used to pay for the redevelopment project costs, including the payment of principal and interest on any special obligation bonds or full faith and credit tax increment bonds. The City has entered into contractual agreements with several private entities for redevelopment projects since the District was established.

Merriam Village Project - Eligible costs as allowed by state statute were previously certified to the City under the terms of the redevelopment agreement which was entered into on March 28, 2005. Under the terms of an April 9, 2012 agreement, the developer agreed to relinquish rights and obligations for certain portions of the project area upon transfer of title to a new property owner (IKEA). The City will reimburse eligible costs from the project's future tax increments over the remaining term of the agreement. This obligation does not bear interest and is payable solely from future increments generated over the remaining term of the agreement.

IKEA Project - On November 12, 2012, the City entered into a redevelopment agreement with IKEA Property, Inc. (IKEA) to provide tax incentives for construction of a 349,000 square foot home furnishings store. The IKEA project area was formerly part of the Merriam Village Project area until the purchase by IKEA. Under the terms of the agreement, the City shall reimburse up to \$19,900,000 in property and sales tax increment over the remaining term of the agreement.

Merriam Pointe Project - Under the terms of a March 28, 2011 redevelopment agreement as amended on July 24, 2017, the City has agreed to reimburse up to \$12,750,000 of eligible costs over the remaining term of the agreement. As of December 31, 2019, only a portion of eligible costs had been certified for reimbursement. The City may terminate the agreement if the developers' ad valorem or special assessment taxes become delinquent. This obligation does not bear interest and is payable solely from future increments generated over the remaining term of the agreement.

Others - The City entered into a contractual agreement with one private entity to reimburse them for certain eligible land and land improvement costs, plus interest, fixed at the prime rate at the time the agreement was executed. The agreement limits the total reimbursement to \$818,900, plus interest, at fixed rates from 6.00%. The reimbursements are made solely from the property tax increment derived from the property over the remaining term of the agreement. In accordance with this agreement, interest accrued and unpaid when due is added to the principal amount of the contractual obligation. If the increments are not sufficient to fully reimburse the costs and interest, the City will have no further obligation to the entities.

The portion of the tax increments used to reimburse these private entities in 2019 is recorded as community development expenditures in the I-35 District Tax Increment Financing Fund.

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Long-Term Debt (Continued)**

Summary - The City has pledged 75% to 100% of the incremental increase in ad valorem tax revenues less an administrative fee retained by the City to repay the eligible developer's costs for each of the above individual projects. These obligations represent redeveloper costs that have been certified as eligible for reimbursement from the incremental taxes attributable to each project. The City is only obligated for the amounts of incremental taxes received attributable to the projects. Any deficiencies are the responsibility of the developer. As of December 31, 2019, the remaining certified project costs to be repaid totaled \$16,772,872.

**Legal Debt Margin**

The City is subject to state statutes, which limit the amount of bonded debt (exclusive of revenue bonds, bonds issued for storm drainage and sanitary sewer improvements, and refunding bonds) that the City may issue to 30% of assessed valuation. Currently the City has a debt limit of \$66,174,029, leaving a debt margin of \$48,984,029.

**D. Interfund Balances and Transfers**

The interfund balances between the General Fund and Capital Improvement Fund are due to the nature and timing of governmental receipts and will be repaid from subsequent years' resources. The interfund balances between the Capital Improvement Fund and General Obligation Bond Fund are related to funding debt service requirements.

	<u>Due to:</u>	
	Capital	
	Improvement	
<u>Due from:</u>		
General fund	\$ 55,997	
General Obligation Bond fund	<u>325,000</u>	
Total	<u>\$ 380,997</u>	

A summary of interfund transfers by fund type for the year ended December 31, 2019 is as follows:

	<u>Transfer to:</u>			
	<u>Capital</u>	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>Improvement</u>	<u>Obligation</u>	<u>Governmental</u>	
		<u>Bond</u>		
<u>Transfer from:</u>				
General fund	\$ 4,344,987	\$ --	\$ 700,000	\$ 5,044,987
Capital Improvement fund	--	1,150,000	--	1,150,000
I-35 District fund	<u>415,000</u>	--	--	<u>415,000</u>
Total	<u>\$ 4,759,987</u>	<u>\$ 1,150,000</u>	<u>\$ 700,000</u>	<u>\$ 6,609,987</u>

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Balances and Transfers (Continued)**

Transfers are used to (1) move revenues from the fund that a statute or the budget requires to collect them to the fund that a statute or the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds have been eliminated in the government-wide Statement of Activities.

**E. Fund Balances**

A summary of the components of fund balance, by purpose, is as follows:

	General	Capital Improvement	General Obligation Bond	I-35 District TIF	Nonmajor Governmental	Total
<b>Restricted for:</b>						
Debt service	\$ --	\$ --	\$ 200,754	\$ --	\$ --	\$ 200,754
Police department	--	--	--	--	49,562	49,562
Street and stormwater improvements	--	3,427,193	--	--	--	3,427,193
Street improvements	--	--	--	--	210,098	210,098
Community center construction	--	5,014,670	--	--	--	5,014,670
Alcohol abuse, prevention and treatment	--	--	--	--	10,813	10,813
Economic development	--	--	--	4,726,863	--	4,726,863
Promote tourism and economic development	--	--	--	--	604,556	604,556
Parks and recreation	--	--	--	--	27,309	27,309
<b>Committed to:</b>						
Capital equipment	--	--	--	--	1,513,706	1,513,706
<b>Assigned to:</b>						
Capital projects	--	16,159,875	--	--	--	16,159,875
General government	1,371	337,449	--	--	9,767	348,587
Risk management	1,089,768	--	--	--	--	1,089,768
<b>Unassigned</b>	<b>7,640,205</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>7,640,205</b>
<b>Total</b>	<b>\$ 8,731,344</b>	<b>\$ 24,939,187</b>	<b>\$ 200,754</b>	<b>\$ 4,726,863</b>	<b>\$ 2,425,811</b>	<b>\$ 41,023,959</b>

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts, loss and damage to property, errors and omissions and injuries to employees. The City obtains insurance through its membership in the Midwest Public Risk (MPR), whose members consist of over 180 Kansas and Missouri public entities that participate in the property and liability program. MPR's objectives are to provide a self-insurance program for local governmental entities; to improve the loss prevention program, thereby reducing claims and accidents; to reduce costs through sound and equitable claims management practices; and to provide excess insurance at a discount based on volume and

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### IV. OTHER INFORMATION (CONTINUED)

#### A. Risk Management (Continued)

lower risk exposure. The City pays annual premiums to MPR. Settled claims have not exceeded the insurance coverage in any of the past three years.

The City's current coverages include deductibles of \$1,000 for both automobile and employee benefits liability, \$5,000 for large vehicles, public officials' and law enforcement liability, \$15,000 for employment practices liability, and \$25,000 for property. Based on outstanding claims at December 31, 2019, a \$5,000 deductible liability has been recorded in the financial statements. The City reports its risk management activities in the General Fund with the deductible claim liability reported as long-term debt, as it is not expected to be liquidated with expendable available financial resources.

Changes in the claims liability are as follows:

	2019	2018
Beginning liability	\$ 5,000	\$ 5,000
Claims and changed in estimates	5,899	26,231
Claim payments	(5,899)	(26,231)
Ending liability	<u>\$ 5,000</u>	<u>\$ 5,000</u>

The City obtains workers' compensation insurance through its membership in the Kansas Eastern Region Insurance Trust (KERIT), whose members consist of local cities and counties. KERIT is a risk-sharing pool organized under the insurance laws of the State of Kansas, which self-insures workers' compensation and other related expenses up to certain limits and reinsures additional excess amounts up to certain limits. The City pays annual premiums to the Trust based upon historical experience and legal requirements mandated by the State of Kansas. The trust agreement allows for member assessments in the event claims and expenses exceed the Trust's self-insured retention limit. The City does not anticipate any additional assessments in excess of premiums paid as a result of their participation in the Trust.

#### B. Contingent Liabilities

Various legal actions and claims against the City are currently pending. The ultimate liability that might result from their resolution is not presently determinable; however, in the opinion of management and counsel, the probability of material aggregate liabilities resulting from these claims is remote.

#### C. Construction Commitments

As of December 31, 2019, the City has outstanding construction commitments for street, bridge and stormwater engineering and community center construction which are authorized for \$34,280,807 of which \$23,302,704 has been expended.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### IV. OTHER INFORMATION (CONTINUED)

#### D. Pension Plans

##### **Defined Benefit Plans**

###### *General Information about the Pension Plan*

*Plan description:* The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at <http://www.kpers.org> or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Benefits provided.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points" (Police and Firemen's normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees chose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump-sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### IV. OTHER INFORMATION (CONTINUED)

#### D. Pension Plans (Continued)

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contributions rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) was 8.89% for KPERS and 22.13% for KP&F for the fiscal year ended December 31, 2019.

Contributions to the pension plan from the City were \$287,655 for KPERS and \$466,209 for KP&F for the year ended December 31, 2019.

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each group of the plan. The City participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

At December 31, 2019, the City reported a liability of \$2,436,152 for KPERS and \$4,112,552 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2019, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the KPERS and KP&F for the fiscal year ended June 30, 2019. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2019, the City's proportion and change from its proportion measured as of June 30, 2018 were as follows:

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**IV. OTHER INFORMATION (CONTINUED)**

**D. Pension Plans (Continued)**

	<b>Net pension liability as of December 31, 2019</b>	<b>Proportion as of June 30, 2019</b>	<b>Increase (decrease) in proportion from June 30, 2018</b>
KPERS (local)	\$ 2,436,152	0.174%	0.000%
KP&F	4,112,552	0.406%	(0.019%)
	<u>\$ 6,548,704</u>		

For the year ended December 31, 2019, the City recognized pension expense of \$321,587 for KPERS and \$287,068 for KP&F. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 237,666	\$ 68,975
Net difference between projected and actual earnings on pension plan investments	140,090	-
Changes in proportionate share	84,936	638,451
Changes in assumptions	220,141	9,491
City's contributions subsequent to measurement date	<u>366,930</u>	<u>-</u>
Total	<u>\$ 1,049,763</u>	<u>\$ 716,917</u>

The \$366,930 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

<b>Year ended December 31:</b>	<b>Deferred Outflows (Inflows) of Resources</b>
2020	\$ (87,231)
2021	(77,876)
2022	90,056
2023	42,737
2024	<u>(1,770)</u>
	<u>\$ (34,084)</u>

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**IV. OTHER INFORMATION (CONTINUED)**

**D. Pension Plans (Continued)**

*Actuarial assumptions.* The total pension liability for KPERS in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50% to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning January 1, 2013. The experience study is dated November 18, 2016.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study were as follows:

- Price inflation assumption lowered from 3.00 percent to 2.75 percent
- Investment return assumption was lowered from 8.00 percent to 7.75 percent
- General wage growth assumption was lowered from 4.00 to 3.5 percent
- Payroll growth assumption was lowered from 4.00 percent to 3.00 percent

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47%	6.85%
Fixed income	13	1.25
Yield driven	8	6.55
Real return	11	1.71
Real estate	11	5.05
Alternatives	8	9.85
Short-term investments	2	(0.25)
Total	<u>100%</u>	

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**IV. OTHER INFORMATION (CONTINUED)**

**D. Pension Plans (Continued)**

*Discount rate.* The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for the State fiscal year 2019 was 1.2%. The Local employers are currently contributing the full actuarial contribution rate. Employers contribute the full actuarial determined rate for KP&F. The expected employer actuarial contribution rate was modeled for future years for these groups, assuming all actuarial assumptions are met in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City's KPERS proportionate share of the net pension liability	\$ 3,638,442	\$ 2,436,152	\$ 1,430,456
City's KP&F proportionate share of the net pension liability	<u>5,836,006</u>	<u>4,112,552</u>	<u>2,669,686</u>
	<u>\$ 9,474,448</u>	<u>\$ 6,548,704</u>	<u>\$ 4,100,142</u>

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

**Defined Contribution Plan**

In 1998, the City established a defined contribution plan for those full-time employees eligible for the KPERS program. The plan is administered by the ICMA Retirement Corporation, and any changes to the plan's provisions or the contribution requirements are determined by the governing body of the City. The contribution percentages are determined annually and for 2019 were 0% to 3% for employees, with a City matching range of 3.54% to 10.0%. In 2019, covered payroll was \$2,848,787. The contributions by the City and employees for 2019 were \$283,789 and \$82,986, respectively.

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**IV. OTHER INFORMATION (CONTINUED)**

**E. Postemployment Healthcare Plan**

**City's OPEB Plan**

*Plan Description.* The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents to age 65, including medical and dental coverage. Retiree health coverage is provided for under Kansas Statute 12-5040. Retirees who retire with at least 10 years of cumulative service with the City and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERs) are eligible for benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no standalone financial report for the plan.

*Benefits provided.* The City requires retirees to pay the same premiums charged to active participants. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered other postemployment benefits (OPEB).

Retirees and spouses have the same benefits as active employees. Coverage terminates either when the retiree or spouse becomes covered under another employer health plan, or when they reach age 65.

*Employees covered by benefit terms.* At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	79
	<u>81</u>

**Total OPEB Liability**

The City's total OPEB liability of \$156,177 was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2019, which was rolled forward to December 31, 2019.

*Actuarial assumptions and other inputs.* The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

Inflation	2.50%
Salary increases	3.00%
Discount rate	3.64%
Healthcare cost trend rates	8% for 2019, decreasing by 0.5% per year to an ultimate rate of 4.5% for 2028 and later years
Retiree's share of benefit related costs	Retirees and spouses pay 100% of the premium equivalent rates

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**IV. OTHER INFORMATION (CONTINUED)**

**E. Postemployment Healthcare Plan (Continued)**

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2016.

The actuarial assumptions used in the January 1, 2019 valuation were based on an experience analysis of the plan's past experience, the actuary's experience with plans of similar size, plan design, retiree contribution level and assumptions used in the City's participation in the corresponding pension plan through KPERS and KP&F, as applicable.

Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at 12/31/18</b>	<b>\$ 172,662</b>
<b>Changes for the year:</b>	
Service cost	10,834
Interest	5,647
Net benefits paid by employer	(9,202)
Differences between expected and actual experience	(39,774)
Changes in assumptions	16,010
<b>Net changes</b>	<b>(16,485)</b>
<b>Balance at 12/31/19</b>	<b>\$ 156,177</b>

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate decreased from 3.70% to 3.64% since the last valuation date.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current discount rate:

	1% Decrease <u>(2.64%)</u>	Discount Rate <u>(3.64%)</u>	1% Increase <u>(4.64%)</u>
Total OPEB liability	\$ 176,293	\$ 156,177	\$ 138,499

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**IV. OTHER INFORMATION (CONTINUED)**

**E. Postemployment Healthcare Plan (Continued)**

		Healthcare Cost Trend	
	1% Decrease (7.0% decreasing to 3.5%)	Rates (8.0% decreasing to 4.5%)	1% Increase (9.0% decreasing to 5.5%)
Total OPEB liability	\$ 134,024	\$ 156,177	\$ 183,176

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of \$14,024. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 35,661
Changes in assumptions	14,354	-
Total	<u>\$ 14,354</u>	<u>\$ 35,661</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	<u>Deferred Outflows (Inflows) of Resources</u>
2020	\$ (2,457)
2021	(2,457)
2022	(2,457)
2023	(2,457)
2024	(2,457)
Thereafter	(9,022)
	<u>\$ (21,307)</u>

**KPERS Death and Disability OPEB Plan**

*Plan Description.* The City participates in an agent multiple-employer defined benefit other post-employment benefit (OPEB) plan which is administered by KPERS. The Plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. Because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

IV. OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (Continued)

*Benefits provided:*

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver premium provision.

Long-term disability benefit: Monthly benefit is 60% of the member's monthly compensation, with a minimum of \$100 and maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of 5 years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of living increase.

Group life waiver of premium benefit: Upon the death of an employee who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of disability or the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for 5 or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance policy.

*Employees covered by benefit terms.* At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	54
	<hr/>
	54
	<hr/>

Total OPEB Liability

The City's total OPEB liability of \$74,103 was measured as of June 30, 2019 and was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019.

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**IV. OTHER INFORMATION (CONTINUED)**

**E. Postemployment Healthcare Plan (Continued)**

*Actuarial assumptions and other inputs.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases, including inflation	3.50 to 10%, including price inflation
Discount Rate	3.50%
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retiree share of benefit cost	Not applicable for the coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2019.

The actuarial assumptions used in the June 30, 2019 valuation were based on an actuarial experience study for the period July 1, 2013 – December 31, 2015. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2018 KPERS pension valuation.

Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at fiscal year-end 12/31/2018</b>	<u>\$ 70,581</u>
<b>Changes for the year:</b>	
Service cost	13,606
Interest	3,258
Effect of economic/demographic gains or losses	(14,066)
Effect of assumptions changes or inputs	724
<b>Net changes</b>	<u>3,522</u>
<b>Balance at fiscal year-end 12/31/2019</b>	<u>\$ 74,103</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(2.50%)</b>	<b>Discount Rate</b>	<b>(4.50%)</b>
	<u>\$ 75,695</u>	<u>(3.50%)</u>	<u>\$ 71,982</u>
Total OPEB liability	\$ 75,695	\$ 74,103	\$ 71,982

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

**IV. OTHER INFORMATION (CONTINUED)**

**E. Postemployment Healthcare Plan (Continued)**

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS. Therefore, there is no sensitivity to a change in healthcare trend rates.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of \$13,627. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 25,315
Changes in assumptions	650	1,492
Total	<u>\$ 650</u>	<u>\$ 26,807</u>

The City currently has no members receiving benefits under this plan; therefore, there are no benefit payments subsequent to the measurement date. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>Deferred Outflows (Inflows) of Resources</u>
<b>Year ended December 31:</b>	
2020	\$ (3,237)
2021	(3,237)
2022	(3,237)
2023	(3,237)
2024	(3,237)
Thereafter	<u>(9,972)</u>
	<u>\$ (26,157)</u>

**Summary of OPEB Plans**

As of December 31, 2019, the City's total OPEB liability, deferred inflows of resources and OPEB expense associated with the two OPEB plans are summarized as follows:

	<u>2019</u>
Total OPEB liability	\$ 230,280
Deferred outflows of resources	15,004
Deferred inflows of resources	62,468
OPEB expense	27,651

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2019

### IV. OTHER INFORMATION (CONTINUED)

#### F. Fire Services Agreement

On December 28, 2014, the City entered into a fire services agreement with the City of Overland Park for a ten-year period. Under this agreement, Overland Park will provide fire protection and advance life support services within Merriam's city limits. Under the agreement, the City maintains title including responsibility for replacement, upkeep, and insurance for all associated fire service capital assets including land, buildings, and equipment. The City will also pay Overland Park all costs associated with Overland Park's employment of fire service employee positions necessary to provide fire services to the City. In addition, the City will pay a percentage of compensated absences paid to Overland Park's fire service employees upon separation. The percentage used in this calculation will be re-set annually on January 1<sup>st</sup>. The City's fire service employees were transferred to Overland Park under this agreement. Overland Park will request reimbursement from the City on a quarterly basis. For the year ended December 31, 2019, the City reimbursed Overland Park \$2,216,129 under this agreement.

#### G. Pending Governmental Accounting Standards

The effect on the City's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2020.

GASB Statement No. 92, *Omnibus 2020*, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including: effective date of GASB 87 for interim financial reports; intra-entity transfers between primary governments and component unit pension or OPEB plans; applicability of Statements No. 73 and 74 for reporting assets accumulated for postemployment benefits; applicability of certain requirements of GASB 84 to postemployment benefit arrangements; measurement of asset retirement obligations in government acquisitions; reporting by public entity risk pools for amounts recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements in authoritative literature and terminology used related to derivative instruments. Certain provisions of this statement were effective upon issuance and did not impact the City's financial reporting, other provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2021.

## **City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2019

### **IV. OTHER INFORMATION (CONTINUED)**

#### **H. Subsequent events**

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended worldwide mitigation measures. The extent of COVID-19's effect on the City's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the City's operation. However, if the pandemic continues to evolve, this could have a material adverse effect on the Government's operation, statement of net position, statement of activities and cash flows.

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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## City of Merriam, Kansas

### Required Supplementary Information December 31, 2019

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements.

For the City, this information includes:

- A budgetary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Budget Basis - General Fund
- Defined Benefit Pension Plans – Share of the Collective Net Pension Liability Kansas Public Employee Retirement System Last Seven Fiscal Years
- Defined Benefit Pension Plans – Schedule of City’s Contributions Kansas Public Employees Retirement System Last Seven Fiscal Years
- Other Postemployment Benefits Other Than Pensions – Schedule of Changes in the City’s Total OPEB Liability and Related Ratios

#### **Budgetary Comparison Schedule**

- A. The City utilizes encumbrances for budgetary reporting purposes. Encumbrances relating to certain contractual agreements, supplies and equipment that have been ordered but not received are reported in the year the commitment arises for budgetary reporting purposes. However, for financial reporting purposes, the goods or services are reported when they are received. Also see Note 1 to the financial statements for additional budgetary information.
- B. For financial reporting purposes, the City’s Risk Management Reserve Fund, which has its own legally adopted budget, is reported with the General Fund.

**City of Merriam, Kansas**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -  
Budget Basis  
General Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 4,814,298	\$ 4,814,298	\$ 5,271,623	\$ 457,325
Sales tax	9,724,612	9,724,612	10,428,173	703,561
Intergovernmental	25,718	25,718	34,084	8,366
Licenses, permits and fees	335,350	335,350	467,200	131,850
Franchise fees	1,451,490	1,451,490	1,314,459	(137,031)
Charges for services	166,955	166,955	117,958	(48,997)
Fines, forfeitures and penalties	925,000	925,000	757,801	(167,199)
Use of money and property	35,000	35,000	105,166	70,166
Miscellaneous	90,977	90,977	108,818	17,841
Total revenue	<u>17,569,400</u>	<u>17,569,400</u>	<u>18,605,282</u>	<u>1,035,882</u>
<b>Expenditures:</b>				
Current:				
Personal services	8,331,805	8,331,805	7,832,410	(499,395)
Contractual services	5,002,997	5,002,997	4,206,520	(796,477)
Commodities	716,676	716,676	591,038	(125,638)
Capital outlay	6,200	6,200	-	(6,200)
Health and welfare	109,100	109,100	104,399	(4,701)
Miscellaneous	4,920,616	4,920,616	24,978	(4,895,638)
Total expenditures	<u>19,087,394</u>	<u>19,087,394</u>	<u>12,759,345</u>	<u>(6,328,049)</u>
Revenue over expenditures	<u>(1,517,994)</u>	<u>(1,517,994)</u>	<u>5,845,937</u>	<u>7,363,931</u>
<b>Other financing sources (uses):</b>				
Transfer out	(4,671,806)	(4,671,806)	(5,044,987)	373,181
Total other financing sources (uses)	<u>(4,671,806)</u>	<u>(4,671,806)</u>	<u>(5,044,987)</u>	<u>373,181</u>
Net change in fund balance	<u>\$ (6,189,800)</u>	<u>\$ (6,189,800)</u>	800,950	<u>\$ 6,990,750</u>
<b>Fund balance at beginning of year</b>			6,839,254	
<b>Fund balance at end of year</b>			<u>\$ 7,640,204</u>	

Explanation of difference between budgetary and GAAP fund balances:

Separately budgeted funds included in the general fund for GAAP reporting purposes:

Risk Management Reserve	1,089,769
Current year encumbrances	<u>1,371</u>
GAAP fund balance at end of year	<u>\$ 8,731,344</u>

**City of Merriam, Kansas**

Required Supplementary Information  
December 31, 2019

**Defined Benefit Pension Plans**

Share of the Collective Net Pension Liability  
Kansas Public Employees Retirement System  
Last Seven Fiscal Years\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's proportion of the collective net pension liability:							
KPERS (local group)	0.174%	0.174%	0.168%	0.174%	0.173%	0.170%	0.167%
KP&F (police & firemen)	0.406%	0.423%	0.423%	0.420%	0.576%	0.717%	0.728%
City's proportionate share of the collective net pension liability	\$ 6,548,704	\$ 6,516,721	\$ 6,406,536	\$ 6,593,662	\$ 6,453,928	\$ 6,794,383	\$ 8,462,052
City's covered payroll ^	\$ 5,475,395	\$ 5,284,158	\$ 5,138,596	\$ 4,997,802	\$ 5,602,520	\$ 6,054,100	\$ 5,927,826
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	120%	123%	125%	132%	115%	112%	143%
Plan fiduciary net position as a percentage of the total pension liability	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%	59.94%

\* GASB 68 requires presentation of ten years. As of December 31, 2019, only seven years of information is available.

^ Covered payroll is measured as of the measurement date ending June 30.

**City of Merriam, Kansas**

Required Supplementary Information  
December 31, 2019

**Defined Benefit Pension Plans (Continued)**

Schedule of City's Contributions  
Kansas Public Employees Retirement System  
Last Seven Fiscal Years\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 753,864	\$ 697,777	\$ 663,496	\$ 697,758	\$ 709,898	\$ 888,982	\$ 771,638
Contributions in relation to the contractually required contribution	<u>(753,864)</u>	<u>(697,777)</u>	<u>(663,496)</u>	<u>(697,758)</u>	<u>(709,898)</u>	<u>(888,982)</u>	<u>(771,638)</u>
Contribution deficiency (excess)	<u>\$ -</u>						
City's covered payroll ^	\$ 5,497,639	\$ 5,352,363	\$ 5,189,561	\$ 5,103,228	\$ 4,970,513	\$ 6,088,295	\$ 6,011,024
Contributions as a percentage of covered payroll	13.71%	13.04%	12.79%	13.67%	14.28%	14.60%	12.84%

\* GASB 68 requires presentation of ten years. As of December 31, 2019, only seven years of information is available.

^ Covered payroll is measured as of the fiscal year end December 31.

## City of Merriam, Kansas

Required Supplementary Information  
December 31, 2019

### Defined Benefit Pension Plans (Continued)

*Changes in benefit terms for KPERS.* In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increase to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retired after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the state fiscal year 2017, the KP&F group had a change in benefit terms. The Legislature changed the duty-related death benefit for KP&F members to the greater of 50% of Final Average Salary and member's accrued retirement benefit under the 100% joint and survivor option, payable to the member's spouse. Including any benefits that may be due to child beneficiaries, the total monthly benefits may not exceed 90% of the member's Final Average Salary. Prior to this bill, the duty-related spousal death benefit for KP&F member was 50% of the Final Average Salary, and the maximum available to the family was 75% of the member's Final Average Salary.

For the state fiscal year 2017, the Legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key changes to the working after retirement rules were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

*Changes in assumptions for KPERS.* As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2016 and include:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

## City of Merriam, Kansas

### Required Supplementary Information December 31, 2019

Changes from the November 2016 experience study that impacted individual groups are listed below:

#### KPERS:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

#### KP&F:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1-year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

**City of Merriam, Kansas**

Required Supplementary Information  
December 31, 2019

**Other Postemployment Benefits Other Than Pensions**

Schedule of Changes in the City's  
Total OPEB Liability and Related Ratios

Last Three Fiscal Years\*

Measurement Date	2019	2018	2017
	December 31, 2019	December 31, 2018	December 31, 2017
<b>Total OPEB liability</b>			
Service cost	\$ 10,834	\$ 8,472	8,224
Interest	5,647	6,010	5,776
Net benefits paid by employer	(9,202)	(8,528)	(6,798)
Differences between expected and actual experience	(39,774)	-	-
Changes in assumptions	16,010	-	-
<b>Net change in total OPEB liability</b>	<b>(16,485)</b>	<b>5,954</b>	<b>7,202</b>
<b>Total OPEB liability - beginning</b>	<b>172,662</b>	<b>166,708</b>	<b>159,506</b>
<b>Total OPEB liability - ending</b>	<b>\$ 156,177</b>	<b>\$ 172,662</b>	<b>166,708</b>
<b>Covered-employee payroll</b>	<b>\$ 5,497,639</b>	<b>\$ 5,352,363</b>	<b>5,189,651</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>2.84%</b>	<b>3.23%</b>	<b>3.21%</b>

\* GASB 75 requires presentation of ten years. As of December 31, 2019, only three years of information is available

There are no assets accumulated in the trust to pay related benefits.

Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate decreased from from 3.70% on December 31, 2018 to 3.64% on December 31, 2019.

**City of Merriam, Kansas**

Required Supplementary Information  
December 31, 2019

**Other Postemployment Benefits Other Than Pensions (Continued)**

Schedule of Changes in the City's  
Death & Disability Total OPEB Liability and Related Ratios

Last Three Fiscal Years\*

**KPERS Death and Disability Plan**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB liability</b>			
Service cost	\$ 13,606	\$ 13,457	\$ 13,753
Interest	3,258	3,014	2,000
Effect of economic/demographic gains or losses	(14,066)	(15,997)	-
Effect of assumptions changes or inputs	<u>724</u>	<u>(620)</u>	<u>(1,450)</u>
<b>Net change in total OPEB liability</b>	3,522	(146)	14,303
<b>Total OPEB liability - beginning</b>	<u>70,581</u>	<u>70,727</u>	<u>56,424</u>
<b>Total OPEB liability - ending</b>	<u>\$ 74,103</u>	<u>\$ 70,581</u>	<u>\$ 70,727</u>
<b>Covered payroll</b>	<u>\$ 5,475,395</u>	<u>\$ 5,284,158</u>	<u>\$ 5,138,596</u>
 <b>Total OPEB liability as a percentage of covered payroll</b>	 1.35%	 1.34%	 1.38%

\* GASB 75 requires presentation of ten years. As of December 31, 2019, only three years of information is available.

There are no assets accumulated in the trust to pay related benefits.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.

**COMBINING  
AND  
INDIVIDUAL FUND**

**STATEMENTS  
AND  
SCHEDULES**

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**City of Merriam, Kansas**  
Other Governmental Funds  
December 31, 2016

**Fund Descriptions**

**Nonmajor Special Revenue Funds**

**Special Highway**

To account for monies levied by the State of Kansas (Motor Fuel Tax) producing revenues to be used to defray in whole or in part the cost of constructing, altering, reconstructing, maintaining and repairing streets and highways pursuant to K.S.A. 79-3425C.

**Special Alcohol**

To account for monies provided by a state liquor taxation on private clubs, and expended for the purchase, establishment, maintenance or expansion of services or programs for alcoholism prevention and education.

**Special Parks and Recreation**

To account for monies provided by a state liquor taxation on private clubs, and expended for the purchase, establishment, maintenance or expansion of park and recreational services, programs and facilities.

**Transient Guest Tax**

To account for monies derived from a tax levied upon the gross rental receipts paid by guests for lodging to be used for promotion of tourism, conventions and economic development.

**Special Law Enforcement Fund**

This fund derives monies from property seizures related to drug arrests and prosecution.

**Nonmajor Capital Projects**

**Equipment Reserve**

To account for monies pursuant to a City Ordinance established under K.S.A. 12-1,117 for the purpose of financing the acquisition of equipment.

**Other Funds**

**Risk Management Reserve**

For financial reporting purposes, this fund is included with the General Fund, and is used to account for amounts transferred from the General Fund pursuant to K.S.A. 12-2615 for the purpose of having reserves on hand for paying claims and related costs arising from legal actions and settlements not covered by commercial insurance.

**City of Merriam, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2019**

	<b>Special Revenue Funds</b>					<b>Capital Project</b>	<b>Total Nonmajor Governmental Funds</b>
	Special Highway	Special Alcohol	Special Parks and Recreation	Transient Guest Tax	Special Law Enforcement	Equipment Reserve	
<b>Assets:</b>							
Cash, including investments	\$ 132,340	\$ 10,813	\$ 27,550	\$ 502,755	\$ 55,174	\$ 1,591,719	\$ 2,320,351
Receivables, net:							
Sales and other taxes	-	-	-	117,454	-	-	117,454
Intergovernmental	78,464	-	-	-	-	15,967	94,431
Interest and other	-	-	-	-	-	3,299	3,299
Total assets	<u>\$ 210,804</u>	<u>\$ 10,813</u>	<u>\$ 27,550</u>	<u>\$ 620,209</u>	<u>\$ 55,174</u>	<u>\$ 1,610,985</u>	<u>\$ 2,535,535</u>
<b>Liabilities:</b>							
Accounts and retainage payable	\$ 706	\$ -	\$ 241	\$ 6,272	\$ 5,612	\$ 87,512	\$ 100,343
Accrued payroll and related liabilities	-	-	-	9,381	-	-	9,381
Total liabilities	<u>706</u>	<u>-</u>	<u>241</u>	<u>15,653</u>	<u>5,612</u>	<u>87,512</u>	<u>109,724</u>
<b>Fund Balances:</b>							
Restricted	210,098	10,813	27,309	604,556	49,562	-	902,338
Committed	-	-	-	-	-	1,513,706	1,513,706
Assigned	-	-	-	-	-	9,767	9,767
Total fund balances	<u>210,098</u>	<u>10,813</u>	<u>27,309</u>	<u>604,556</u>	<u>49,562</u>	<u>1,523,473</u>	<u>2,425,811</u>
Total liabilities and fund balance	<u>\$ 210,804</u>	<u>\$ 10,813</u>	<u>\$ 27,550</u>	<u>\$ 620,209</u>	<u>\$ 55,174</u>	<u>\$ 1,610,985</u>	<u>\$ 2,535,535</u>

**City of Merriam, Kansas**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2019**

	<b>Special Revenue Funds</b>					<b>Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	Special Highway	Special Alcohol	Special Parks and Recreation	Transient Guest Tax	Special Law Enforcement	Equipment Reserve	
<b>Revenues:</b>							
Transient guest tax	\$ -	\$ -	\$ -	\$ 439,149	\$ -	\$ -	\$ 439,149
Intergovernmental	308,663	25,714	25,714	-	-	100,972	461,063
Charges for services	-	-	-	68,769	-	-	68,769
Fines, forfeitures and penalties	-	-	-	-	437	-	437
Earnings on investments	211	13	34	649	-	30,956	31,863
Net increase (decrease) in the fair value of investments	-	-	-	-	-	1,270	1,270
Other	-	-	-	2,971	-	-	2,971
Total revenues	<u>308,874</u>	<u>25,727</u>	<u>25,748</u>	<u>511,538</u>	<u>437</u>	<u>133,198</u>	<u>1,005,522</u>
<b>Expenditures:</b>							
General government	-	-	-	-	-	243,818	243,818
Law enforcement	-	-	-	-	7,555	93,413	100,968
Fire prevention and control	-	-	-	-	-	912,490	912,490
Public works	461,175	-	-	-	-	115,272	576,447
Community development	-	-	-	364,498	-	-	364,498
Health and welfare	-	27,682	-	-	-	-	27,682
Culture and recreation	-	-	5,921	204,003	-	1,500	211,424
Total expenditures	<u>461,175</u>	<u>27,682</u>	<u>5,921</u>	<u>568,501</u>	<u>7,555</u>	<u>1,366,493</u>	<u>2,437,327</u>
Excess of revenues over (under) expenditures	(152,301)	(1,955)	19,827	(56,963)	(7,118)	(1,233,295)	(1,431,805)
<b>Other financing sources (uses):</b>							
Proceeds from sale of capital assets	-	-	-	-	-	50,635	50,635
Transfers in	-	-	-	-	-	700,000	700,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,635</u>	<u>750,635</u>
Net change in fund balances	(152,301)	(1,955)	19,827	(56,963)	(7,118)	(482,660)	(681,170)
<b>Fund balances at beginning of year</b>	362,399	12,768	7,482	661,519	56,680	2,006,133	3,106,981
<b>Fund balances at end of year</b>	<u>\$ 210,098</u>	<u>\$ 10,813</u>	<u>\$ 27,309</u>	<u>\$ 604,556</u>	<u>\$ 49,562</u>	<u>\$ 1,523,473</u>	<u>\$ 2,425,811</u>

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Special Highway Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 304,870	\$ 304,870	\$ 308,663	\$ 3,793
Use of money and property	-	-	211	211
Total revenues	<u>304,870</u>	<u>304,870</u>	<u>308,874</u>	<u>4,004</u>
<b>Expenditures:</b>				
Current:				
Contractual services	525,000	525,000	434,146	(90,854)
Commodities	40,000	40,000	27,029	(12,971)
Contingency	26,283	26,283	-	(26,283)
Total expenditures	<u>591,283</u>	<u>591,283</u>	<u>461,175</u>	<u>(130,108)</u>
Net change in fund balance	<u>\$ (286,413)</u>	<u>\$ (286,413)</u>	<u>(152,301)</u>	<u>\$ 134,112</u>
<b>Fund balance at beginning of year</b>			<u>362,399</u>	
<b>Fund balance at end of year</b>			<u>\$ 210,098</u>	

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Special Alcohol Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 24,944	\$ 24,944	\$ 25,714	\$ 770
Use of money and property	-	-	13	13
Total revenues	<u>24,944</u>	<u>24,944</u>	<u>25,727</u>	<u>783</u>
<b>Expenditures:</b>				
Current:				
Contractuals	27,000	27,000	20,000	(7,000)
Miscellaneous	12,602	12,602	7,682	(4,920)
Total expenditures	<u>39,602</u>	<u>39,602</u>	<u>27,682</u>	<u>(11,920)</u>
Net change in fund balance	<u>\$ (14,658)</u>	<u>\$ (14,658)</u>	(1,955)	<u>\$ 12,703</u>
<b>Fund balance at beginning of year</b>			<u>12,768</u>	
<b>Fund balance at end of year</b>			<u>\$ 10,813</u>	

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Special Parks and Recreation Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 24,944	\$ 24,944	\$ 25,714	\$ 770
Use of money and property	-	-	34	34
Total revenues	<u>24,944</u>	<u>24,944</u>	<u>25,748</u>	<u>804</u>
<b>Expenditures:</b>				
Current:				
Capital outlay	33,000	33,000	5,921	(27,079)
Miscellaneous	1,461	1,461	-	(1,461)
Total expenditures	<u>34,461</u>	<u>34,461</u>	<u>5,921</u>	<u>(28,540)</u>
Net change in fund balance	<u>\$ (9,517)</u>	<u>\$ (9,517)</u>	19,827	<u>\$ 29,344</u>
<b>Fund balance at beginning of year</b>			<u>7,482</u>	
<b>Fund balance at end of year</b>			<u>\$ 27,309</u>	

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Transient Guest Tax Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Transient guest tax	\$ 408,165	\$ 408,165	\$ 439,149	\$ 30,984
Charges for services	63,785	63,785	68,769	4,984
Use of money and property	-	-	649	649
Miscellaneous	2,200	2,200	2,971	771
Total revenues	<u>474,150</u>	<u>474,150</u>	<u>511,538</u>	<u>37,388</u>
<b>Expenditures:</b>				
Current:				
Personal services	376,701	376,701	357,166	(19,535)
Contractual services	140,170	140,170	120,743	(19,427)
Commodities	13,005	13,005	8,819	(4,186)
Health and welfare	80,595	80,595	81,773	1,178
Miscellaneous	458,552	458,552	-	(458,552)
Total expenditures	<u>1,069,023</u>	<u>1,069,023</u>	<u>568,501</u>	<u>(500,522)</u>
Revenue over expenditures	<u>(594,873)</u>	<u>(594,873)</u>	<u>(56,963)</u>	<u>537,910</u>
Net change in fund balance	<u>\$ (594,873)</u>	<u>\$ (594,873)</u>	<u>(56,963)</u>	<u>\$ 537,910</u>
<b>Fund balance at beginning of year</b>			<u>661,519</u>	
<b>Fund balance at end of year</b>			<u>\$ 604,556</u>	

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Equipment Reserve Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 5,000	\$ 5,000	\$ 32,226	\$ 27,226
Intergovernmental	-	-	100,972	100,972
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>133,198</u>	<u>128,198</u>
<b>Expenditures:</b>				
Current:				
Capital outlay	2,567,581	2,567,581	1,410,202	(1,157,379)
Total expenditures	<u>2,567,581</u>	<u>2,567,581</u>	<u>1,410,202</u>	<u>(1,157,379)</u>
Revenue over expenditures	<u>(2,562,581)</u>	<u>(2,562,581)</u>	<u>(1,277,004)</u>	<u>1,285,577</u>
<b>Other financing sources (uses):</b>				
Miscellaneous proceeds	35,000	35,000	50,635	15,635
Transfer in	700,000	700,000	700,000	-
Total other financing sources (uses)	<u>735,000</u>	<u>735,000</u>	<u>750,635</u>	<u>15,635</u>
Net change in fund balance	<u>\$ (1,827,581)</u>	<u>\$ (1,827,581)</u>	<u>(526,369)</u>	<u>\$ 1,301,212</u>
<b>Fund balance at beginning of year</b>			<u>2,004,633</u>	
<b>Fund balance at end of year</b>			<u>\$ 1,478,264</u>	
Explanation of difference between budgetary and GAAP fund balances:				
Current year encumbrances			<u>45,209</u>	
GAAP fund balance at end of year			<u>\$ 1,523,473</u>	

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Risk Management Reserve Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 7,000	\$ 7,000	\$ 19,923	\$ 12,923
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>19,923</u>	<u>12,923</u>
<b>Expenditures:</b>				
General government:				
Commodities	20,000	20,000	-	(20,000)
Contractual services	10,000	10,000	20,095	10,095
Contingencies and reserves	984,873	984,873	-	(984,873)
Total expenditures	<u>1,014,873</u>	<u>1,014,873</u>	<u>20,095</u>	<u>(994,778)</u>
Net change in fund balance	<u>\$ (1,007,873)</u>	<u>\$ (1,007,873)</u>	(172)	<u>\$ 1,007,701</u>
<b>Fund balance at beginning of year</b>			<u>1,089,941</u>	
<b>Fund balance at end of year</b>			<u>\$ 1,089,769</u>	

## Debt Service Fund

### Fund Description

### Budgeted Funds

#### **General Obligation Bonds**

To account for resources to be used for the payment of principal, interest and related costs of the general obligation bonds and certain other long-term obligations of the City.

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
General Obligation Bonds Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 187,183	\$ 187,183	\$ 235,664	\$ 48,481
Special assessments	1,864,529	1,864,529	1,969,613	105,084
Use of money and property	1,023	1,023	4,882	3,859
Total revenues	<u>2,052,735</u>	<u>2,052,735</u>	<u>2,210,159</u>	<u>157,424</u>
<b>Expenditures:</b>				
Debt service:				
Principal	2,200,000	2,200,000	2,200,000	-
Interest	991,150	991,150	991,150	-
Miscellaneous	33,273	33,273	-	(33,273)
Total expenditures	<u>3,224,423</u>	<u>3,224,423</u>	<u>3,191,150</u>	<u>(33,273)</u>
Revenues over expenditures	(1,171,688)	(1,171,688)	(980,991)	190,697
<b>Other financing sources (uses):</b>				
Transfers in	1,150,000	1,150,000	1,150,000	-
Total other financing sources (uses)	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (21,688)</u>	<u>\$ (21,688)</u>	169,009	<u>\$ 190,697</u>
<b>Fund balance at beginning of year</b>			31,745	
<b>Fund balance at end of year</b>			<u>\$ 200,754</u>	

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## STATISTICAL SECTION

This part of the City of Merriam's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Contents**

### **Tables**

#### **Financial Trends**

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

1 - 5

#### **Revenue Capacity**

These tables contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.

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#### **Debt Capacity**

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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#### **Demographic and Economic Information**

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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#### **Operating Information**

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Merriam, Kansas  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

**Table 1**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net investment in capital assets	\$ 78,091,904	\$ 80,022,605	\$ 79,354,128	\$ 81,566,047	\$ 88,722,159	\$ 91,629,331	\$ 94,004,370	\$ 99,965,594	\$ 103,699,928	\$ 110,293,112
Restricted	5,021,411	5,545,039	7,878,514	9,108,394	9,254,811	9,881,122	11,849,396	13,679,699	12,738,762	9,056,394
Unrestricted	4,870,981	6,645,936	8,516,887	11,081,044	14,009,420	11,058,534	14,370,671	14,248,605	15,340,606	19,739,730
Total Governmental activities net position, as restated (a)	<u>\$ 87,984,296</u>	<u>\$ 92,213,580</u>	<u>\$ 95,749,529</u>	<u>\$ 101,755,485</u>	<u>\$ 111,986,390</u>	<u>\$ 112,568,987</u>	<u>\$ 120,224,437</u>	<u>\$ 127,893,898</u>	<u>\$ 131,779,296</u>	<u>\$ 139,089,236</u>

Note: The City had no business-type activities for years 2010 through 2019.

(a) In 2012, two prior period adjustments increased net position and unrestricted assets. The first was due to a change in methodology for recording tax increment liabilities. The second was due to the application of provisions of the Trust Indenture for the Subordinate Special Obligation TIF Bond. Both changes have been retroactively applied to this table. See Note III. C. to the financial statements for additional information.

**City of Merriam, Kansas  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

Table 2

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
General Government	\$ 2,118,597	\$ 2,077,925	\$ 2,290,748	\$ 2,725,181	\$ 2,474,433	\$ 2,594,765	\$ 2,722,091	\$ 2,886,242	\$ 2,937,201	\$ 3,275,755
Law enforcement	3,252,442	3,343,059	3,263,923	3,365,198	3,620,331	3,661,962	3,697,731	3,680,138	4,062,208	4,124,425
Fire prevention and control	2,065,774	2,130,222	2,201,176	2,261,457	2,349,672	2,258,632	2,356,954	2,515,984	2,630,810	2,594,107
Public works	1,907,778	1,962,925	1,937,502	2,142,851	2,276,225	2,234,499	2,002,639	2,326,610	2,242,760	2,259,107
Capital improvement program	3,710,509	3,762,187	4,174,359	3,489,564	3,538,504	3,674,653	3,679,682	3,961,988	4,317,753	4,973,229
Community development	808,157	798,562	846,621	732,348	838,878	3,325,549	3,506,701	3,959,370	6,413,617	3,888,749
Health and welfare	23,827	24,123	24,698	32,917	44,704	57,147	61,061	69,972	105,389	124,399
Culture and recreation	1,428,918	1,461,193	1,530,436	1,476,476	1,745,524	1,615,635	1,563,727	1,697,831	1,498,179	1,242,345
Interest on long-term debt	1,495,519	968,509	1,233,443	763,763	1,350,464	116,340	68,586	52,505	748,631	618,049
<b>Total expenses</b>	<b>\$ 16,811,521</b>	<b>\$ 16,528,705</b>	<b>\$ 17,502,906</b>	<b>\$ 16,989,755</b>	<b>\$ 18,238,735</b>	<b>\$ 19,539,182</b>	<b>\$ 19,659,172</b>	<b>\$ 21,150,640</b>	<b>\$ 24,956,548</b>	<b>\$ 23,100,165</b>
<b>Program Revenues</b>										
Charges for services:										
General government	\$ 185,749	\$ 189,900	\$ 188,054	\$ 178,856	\$ 218,710	\$ 209,471	\$ 223,573	\$ 172,491	\$ 203,551	\$ 193,366
Law enforcement	1,075,580	982,233	957,692	902,639	1,346,571	1,223,641	889,729	861,201	921,705	758,238
Fire prevention and control	692	487	730	484	564	103	-	-	-	-
Community development	170,830	294,816	276,028	415,044	338,621	361,245	167,098	180,069	422,748	273,834
Culture and recreation	268,336	268,364	263,441	270,302	269,015	342,802	337,819	322,785	303,273	186,727
Operating grants and contributions	355,361	321,568	336,134	410,247	437,398	349,093	386,999	354,360	357,502	368,461
Capital grants and contributions	2,103,160	1,515,293	1,445,139	1,610,418	4,204,028	1,862,140	1,109,636	2,787,856	839,204	1,203,832
<b>Total program revenues</b>	<b>\$ 4,159,708</b>	<b>\$ 3,572,661</b>	<b>\$ 3,467,218</b>	<b>\$ 3,787,990</b>	<b>\$ 6,814,907</b>	<b>\$ 4,348,495</b>	<b>\$ 3,114,854</b>	<b>\$ 4,678,762</b>	<b>\$ 3,047,983</b>	<b>\$ 2,984,458</b>
<b>Total Net Expense</b>	<b>\$ (12,651,813)</b>	<b>\$ (12,956,044)</b>	<b>\$ (14,035,688)</b>	<b>\$ (13,201,765)</b>	<b>\$ (11,423,828)</b>	<b>\$ (15,190,687)</b>	<b>\$ (16,544,318)</b>	<b>\$ (16,471,878)</b>	<b>\$ (21,908,565)</b>	<b>\$ (20,115,707)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Taxes	\$ 16,478,890	\$ 16,617,126	\$ 16,959,142	\$ 18,860,427	\$ 21,303,029	\$ 23,066,999	\$ 23,787,090	\$ 23,832,177	\$ 25,159,907	\$ 26,061,795
Unrestricted investment earnings	248,880	211,118	168,447	123,470	128,202	110,443	155,265	207,417	839,841	1,106,010
Miscellaneous	111,344	338,473	419,273	201,153	204,020	355,277	232,961	176,735	(157,587)	232,128
Intergovernmental not restricted to a specific program	18,472	18,611	24,775	22,671	19,482	21,569	24,452	24,599	23,829	25,714
<b>Total general revenues</b>	<b>\$ 16,857,586</b>	<b>\$ 17,185,328</b>	<b>\$ 17,571,637</b>	<b>\$ 19,207,721</b>	<b>\$ 21,654,733</b>	<b>\$ 23,554,288</b>	<b>\$ 24,199,768</b>	<b>\$ 24,240,928</b>	<b>\$ 25,865,990</b>	<b>\$ 27,425,647</b>
<b>Change in Net Position, as restated (a)</b>	<b>\$ 4,205,773</b>	<b>\$ 4,229,284</b>	<b>\$ 3,535,949</b>	<b>\$ 6,005,956</b>	<b>\$ 10,230,905</b>	<b>\$ 8,363,601</b>	<b>\$ 7,655,450</b>	<b>\$ 7,769,050</b>	<b>\$ 3,957,425</b>	<b>\$ 7,309,940</b>

(a) In 2012, two prior period adjustments reduced community development expenses and changed interest expense. The first was due to a change in methodology for recording TIF contractual liabilities. The second was due to application of provisions of the Trust Indenture for Subordinate Special Obligation Revenue Bond. Both changes have been retroactively applied to this table.

**City of Merriam, Kansas**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Table 3

	Fiscal Year									
	2010	2011 (a)	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Reserved	\$ 11,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,965,949	-	-	-	-	-	-	-	-	-
Assigned	-	877,528	986,133	1,007,037	1,043,546	1,043,976	1,033,971	1,047,632	1,127,478	1,091,139
Unassigned	-	5,233,346	5,484,318	5,984,254	6,764,508	6,099,428	6,347,713	6,588,313	6,839,255	7,640,205
<b>Total General Fund</b>	<u>\$ 4,977,647</u>	<u>\$ 6,110,874</u>	<u>\$ 6,470,451</u>	<u>\$ 6,991,291</u>	<u>\$ 7,808,054</u>	<u>\$ 7,143,404</u>	<u>\$ 7,381,684</u>	<u>\$ 7,635,945</u>	<u>\$ 7,966,733</u>	<u>\$ 8,731,344</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 815,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects funds	7,267,772	-	-	-	-	-	-	-	-	-
Special revenue funds	2,454,833	-	-	-	-	-	-	-	-	-
Nonspendable/Restricted/ Committed/Assigned reported in:										
Debt service	-	71,423	110,424	162,407	55,077	44,696	34,208	36,000	31,745	200,754
Capital projects funds	-	6,546,417	7,320,278	9,236,491	10,371,672	14,050,501	15,982,331	15,240,321	38,836,957	26,462,660
Special revenue funds	-	3,712,031	3,855,036	4,634,548	5,267,978	6,856,472	9,470,589	11,995,543	10,272,665	5,629,201
<b>Total All Other Governmental Funds</b>	<u>\$ 10,538,476</u>	<u>\$ 10,329,871</u>	<u>\$ 11,285,738</u>	<u>\$ 14,033,446</u>	<u>\$ 15,694,727</u>	<u>\$ 20,951,669</u>	<u>\$ 25,487,128</u>	<u>\$ 27,271,864</u>	<u>\$ 49,141,367</u>	<u>\$ 32,292,615</u>

(a) GASB 54 was implemented during FY 2011. The City did not restate fund balances in prior years to comply with the new presentation format.

**City of Merriam, Kansas**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Table 4

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes (see Table 5)	\$ 17,042,304	\$ 17,039,176	\$ 17,379,992	\$ 19,279,727	\$ 21,725,429	\$ 23,492,861	\$ 24,210,373	\$ 24,256,970	\$ 25,585,282	\$ 26,061,795
Intergovernmental	1,093,060	1,828,887	817,654	1,919,131	3,540,908	2,232,832	1,426,445	985,694	1,220,535	1,598,007
Licenses, permits and fees	356,579	484,716	464,082	593,900	557,331	570,716	390,671	352,560	626,299	467,200
Charges for services	273,969	278,741	274,469	270,302	269,015	342,802	337,819	322,785	303,273	186,727
Fines, forfeitures and penalties	1,070,639	972,343	947,394	902,639	1,346,571	1,223,641	889,729	861,201	921,705	758,238
Uses of money and property	138,694	111,868	77,596	44,170	60,802	60,840	118,727	184,832	832,153	1,106,010
Miscellaneous	105,249	315,109	479,208	125,818	237,065	128,854	162,678	137,622	114,799	199,089
<b>Total revenues</b>	<b>20,080,494</b>	<b>21,030,840</b>	<b>20,440,395</b>	<b>23,135,687</b>	<b>27,737,121</b>	<b>28,052,546</b>	<b>27,536,442</b>	<b>27,101,664</b>	<b>29,604,046</b>	<b>30,377,066</b>
<b>Expenditures</b>										
Current:										
General government	\$ 2,259,275	\$ 2,111,228	\$ 2,199,816	\$ 2,499,888	\$ 2,489,575	\$ 2,542,050	\$ 2,674,797	\$ 2,720,163	\$ 2,874,497	\$ 3,217,170
Law enforcement	3,103,953	3,228,754	3,227,603	3,281,632	3,593,359	3,685,202	3,771,787	3,933,623	4,051,089	4,016,780
Fire prevention and control	1,973,464	2,559,747	2,151,266	2,149,282	2,208,847	2,162,380	2,241,898	2,374,213	2,499,830	3,232,195
Public works	2,010,455	2,196,012	2,292,334	2,570,358	2,357,297	2,462,189	2,678,415	2,455,786	2,862,480	2,642,121
Capital improvement program	189,541	46,238	41,277	406,226	336,365	322,809	224,574	250,552	418,211	374,333
Community development	756,612	787,038	852,976	709,825	815,807	3,337,700	3,518,041	3,955,102	6,379,936	3,830,989
Health and welfare	23,827	24,123	24,698	22,917	24,704	57,148	61,061	69,972	105,389	132,081
Culture and recreation	1,147,610	1,236,494	1,229,785	1,203,990	1,346,778	1,328,450	1,238,796	1,276,211	1,298,065	976,729
Capital outlay	2,483,434	2,988,227	2,147,925	2,844,881	8,580,884	6,151,380	5,169,489	7,168,645	7,425,077	24,898,294
Debt service:										
Principal	4,444,638	4,246,595	4,076,886	3,422,583	2,189,411	1,365,367	1,202,973	830,000	2,890,000	2,200,000
Interest	1,045,902	712,971	1,008,771	803,045	1,345,372	107,563	89,150	73,250	688,289	991,150
Bond issuance costs	-	-	-	-	-	-	-	-	148,790	-
<b>Total expenditures</b>	<b>19,438,711</b>	<b>20,137,427</b>	<b>19,253,337</b>	<b>19,914,627</b>	<b>25,288,399</b>	<b>23,522,238</b>	<b>22,870,981</b>	<b>25,107,517</b>	<b>31,641,653</b>	<b>46,511,842</b>
Excess of revenues over (under) expenditures	641,783	893,413	1,187,058	3,221,060	2,448,722	4,530,308	4,665,461	1,994,147	(2,037,607)	(16,134,776)
<b>Other financing sources (uses)</b>										
Proceeds from sale of capital assets	32,207	31,209	45,280	47,488	29,322	61,984	108,278	44,850	81,462	50,635
Issuance of general obligation bonds	-	-	-	-	-	-	-	-	20,935,000	-
Premium on general obligation bonds	-	-	-	-	-	-	-	-	3,221,436	-
Issuance of refunding bonds	3,585,000	-	7,300,000	-	-	-	-	-	-	-
Premium on refunding bonds	97,846	-	227,343	-	-	-	-	-	-	-
Redemption of refunded bonds	(3,570,000)	-	(7,444,237)	-	-	-	-	-	-	-
Transfers in	7,201,276	6,757,963	6,494,618	7,373,340	7,546,745	6,271,919	4,865,391	5,305,680	5,574,428	6,609,987
Transfers out	(7,201,276)	(6,757,963)	(6,494,618)	(7,373,340)	(7,546,745)	(6,271,919)	(4,865,391)	(5,305,680)	(5,574,428)	(6,609,987)
<b>Total other financing sources (uses)</b>	<b>145,053</b>	<b>31,209</b>	<b>128,386</b>	<b>47,488</b>	<b>29,322</b>	<b>61,984</b>	<b>108,278</b>	<b>44,850</b>	<b>24,237,898</b>	<b>50,635</b>
<b>Net change in fund balances</b>	<b>\$ 786,836</b>	<b>\$ 924,622</b>	<b>\$ 1,315,444</b>	<b>\$ 3,268,548</b>	<b>\$ 2,478,044</b>	<b>\$ 4,592,292</b>	<b>\$ 4,773,739</b>	<b>\$ 2,038,997</b>	<b>\$ 22,200,291</b>	<b>\$(16,084,141)</b>
Debt service as a percentage of noncapital expenditures	33.0%	30.4%	31.0%	25.9%	21.7%	8.7%	7.8%	6.0%	15.6%	16.1%

**City of Merriam, Kansas**  
**Tax by Revenue Source, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**Table 5**

<b>Fiscal Year</b>	<b>Tax Revenues</b>								
	<b>Property Tax</b>	<b>TIF Property Taxes</b>	<b>City Sales/Use Tax</b>	<b>County Sales Tax</b>	<b>Transient Guest Tax</b>	<b>Other TIF Taxes</b>	<b>Special Assessments (a)</b>	<b>Franchise Fees</b>	<b>Total</b>
2010	\$ 3,879,003	\$ 3,294,986	\$ 5,952,837	\$ 1,293,227	\$ 287,678	\$ 445,813	\$ 563,414	\$ 1,325,346	\$ 17,042,304
2011	3,879,875	2,779,590	6,326,148	1,469,516	407,137	373,751	422,050	1,381,109	17,039,176
2012	3,705,351	2,658,612	7,007,917	1,481,333	417,878	356,349	420,850	1,331,702	17,379,992
2013	3,736,606	2,780,265	8,502,699	1,538,818	507,652	358,133	419,300	1,436,254	19,279,727
2014	3,797,739	3,463,256	9,803,842	1,682,882	498,887	578,996	422,400	1,477,427	21,725,429
2015	3,871,816	4,593,045	9,944,255	1,719,594	500,407	978,686	425,862	1,459,196	23,492,861
2016	4,112,928	4,510,269	10,379,700	1,740,379	542,476	1,025,824	423,283	1,475,514	24,210,373
2017	4,624,853	4,195,263	10,119,316	1,989,108	537,276	915,097	424,793	1,451,264	24,256,970
2018	4,642,478	4,122,373	12,091,093	2,070,804	424,766	313,497	425,375	1,494,896	25,585,282
2019	5,507,287	4,140,650	12,291,885	2,075,514	439,149	292,851	-	1,314,459	26,061,795

(a) Special assessments collected to pay for infrastructure improvements were repaid by property owners in 2018. See Table 16 for more information.

**City of Merriam, Kansas  
Total City Taxable Sales by Category  
Last Ten Fiscal Years**

**Table 6**

Sales by Retail Category	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Auto dealerships	\$ 207,159,440	\$ 225,970,160	\$ 254,377,040	\$ 356,610,480	\$ 408,492,320	\$ 427,781,722	\$ 468,314,927	\$ 445,065,269	\$ 414,601,775	\$ 443,347,844
Auto rental, leasing, repairs gasoline	25,510,080	32,898,000	27,578,720	27,284,480	30,281,520	35,671,425	29,277,608	33,431,945	54,827,092	49,422,924
Clothing, department and shoe stores	25,040,240	26,183,680	27,923,200	22,176,160	58,621,360	103,045,153	95,046,859	87,932,770	88,035,839	81,705,481
Construction, home repairs and maintenance	44,964,080	44,105,360	45,297,040	49,454,720	55,303,040	52,688,162	58,687,468	61,406,789	65,598,926	66,386,415
Grocery and drug stores	19,074,160	18,073,040	16,532,160	20,645,840	20,404,960	16,137,865	22,461,130	21,429,724	13,888,829	2,998,207
Hotels	5,275,760	6,930,560	5,819,200	7,228,560	7,674,000	8,112,115	7,285,794	8,360,492	6,366,621	7,178,269
Medical	5,265,600	6,930,560	5,396,080	4,824,400	6,910,560	4,542,336	4,745,680	5,087,175	5,215,900	4,466,451
Restaurants/Entertainment	21,893,680	24,856,400	27,956,560	28,061,920	30,129,280	30,796,315	30,327,673	29,021,710	29,687,437	40,643,791
Specialty shops	19,297,680	18,065,120	21,931,680	18,672,800	29,002,880	23,557,630	23,828,560	29,075,552	24,207,771	27,168,384
Utilities and communications	37,145,920	32,734,800	35,462,240	55,028,320	55,116,160	35,948,191	35,127,277	35,222,897	48,467,365	32,748,593
All other outlets	65,600,320	69,826,880	92,344,080	90,205,120	96,708,560	79,560,225	83,177,062	79,906,259	76,075,145	82,916,027
<b>Total</b>	<b>\$ 476,226,960</b>	<b>\$ 506,574,560</b>	<b>\$ 560,618,000</b>	<b>\$ 680,192,800</b>	<b>\$ 798,644,640</b>	<b>\$ 817,841,139</b>	<b>\$ 858,280,038</b>	<b>\$ 835,940,582</b>	<b>\$ 826,972,700</b>	<b>\$ 838,982,386</b>

Source: Determined from information provided by the Kansas Department of Revenue.

Note: Kansas statutes prohibit cities from disclosing sales tax remitters and the respective amounts of sales tax revenue remitted.

Note: City sales tax rates of 1.25% are applicable to taxable sales in Merriam for 2009-2017; 1.50% for taxable sales in 2018-2027.

**City of Merriam, Kansas  
Sales Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

**Table 7**

<u>Direct Sales Tax Rate of Merriam</u>	Fiscal Year									
	<u>2010 (a)</u>	<u>2011</u>	<u>2012</u>	<u>2013 (b)</u>	<u>2014</u>	<u>2015 (c)</u>	<u>2016</u>	<u>2017 (d)</u>	<u>2018 (e)</u>	<u>2019</u>
General	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
Street/Stormwater Improvement	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
Recreation Facilities	-	-	-	-	-	-	-	-	0.250%	0.250%
<b>Total Direct Sales Tax</b>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.500%</u>	<u>1.500%</u>
<u>Total Sales Tax Rate</u>										
State of Kansas	6.300%	6.300%	6.300%	6.150%	6.150%	6.500%	6.500%	6.500%	6.500%	6.500%
Johnson County	1.225%	1.225%	1.225%	1.225%	1.225%	1.225%	1.225%	1.475%	1.475%	1.475%
City of Merriam	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.500%	1.500%
<b>Total Direct and Overlapping Rate</b>	<u>8.775%</u>	<u>8.775%</u>	<u>8.775%</u>	<u>8.625%</u>	<u>8.625%</u>	<u>8.975%</u>	<u>8.975%</u>	<u>9.225%</u>	<u>9.475%</u>	<u>9.475%</u>

Source: Kansas Department of Revenue

(a) Rates effective as of 12/31/2010. The State of Kansas rate increase to 6.300% was effective 7/1/2010.

(b) Rates effective as of 12/31/2013. The State of Kansas rate decrease to 6.150% was effective 7/1/2013.

(c) Rates effective as of 12/31/2015. The State of Kansas rate increase to 6.500% was effective 7/1/2015.

(d) Rates effective as of 12/31/2017. The Johnson County rate increase to 1.475% was effective 4/1/2017.

(e) Rates effective as of 12/31/2018. The City of Merriam rate increased to 1.50% effective 1/1/2018 and ends 12/31/2027.

**City of Merriam, Kansas**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

**Table 8**

Fiscal Year	Estimated Actual Valuation (a)	Direct Tax Rate (per \$1,000)	Assessed Valuation				Assessed Valuation as % of Actual	Motor Vehicle Assessed Valuation	Equalized Assessed Valuation (b)
			Real Property	Personal Property	Railroads & Utilities	Total			
2010	\$ 961,187,702	27.352	\$ 150,765,175	\$ 6,161,303	\$ 3,910,033	\$ 160,836,511	16.7%	\$ 14,277,629	\$ 175,114,140
2011	911,659,932	27.474	141,190,553	5,123,564	4,090,951	150,405,068	16.5%	13,780,199	164,185,267
2012	895,578,035	27.412	138,046,432	4,577,169	3,605,214	146,228,815	16.3%	13,417,878	159,646,693
2013	875,618,643	27.522	136,651,151	4,265,405	3,943,342	144,859,898	16.5%	13,396,069	158,255,967
2014	887,730,382	27.625	141,348,952	3,852,095	3,999,025	149,200,072	16.8%	12,697,210	161,897,282
2015	951,603,667	27.605	155,689,963	2,806,907	4,055,476	162,552,346	17.1%	13,714,873	176,267,219
2016	999,370,384	27.676	165,146,877	2,126,470	4,454,316	171,727,663	17.2%	14,086,878	185,814,541
2017	1,079,079,907	27.673	180,799,984	1,827,883	4,432,728	187,060,595	17.3%	14,772,449	201,833,044
2018	1,111,664,468	27.741	184,242,726	1,650,584	4,127,886	190,021,196	17.1%	15,111,838	205,133,034
2019	1,186,224,460	27.880	194,788,021	1,528,090	4,503,754	200,819,865	16.9%	15,514,353	216,334,218

Source: Johnson County Appraiser's Office and Johnson County Records & Tax Administration

(a) Estimated Actual Valuation is equal to appraised value and excludes motor vehicle valuations. Residential real estate is assessed at 11.5% of appraised value; commercial real estate at 25%; vacant land, personal, railroads and utilities rates are between 5% and 33%.

(b) Equalized Assessed Valuation includes real, personal, utilities, railroads and motor vehicles. Equalized Assessed Valuation is used to determine debt limitations.

**City of Merriam, Kansas**  
**Property Tax Rates (Per \$1,000 of Assessed Valuation)**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

**Table 9**

Fiscal Year	City of Merriam			Overlapping Rates (a)						Total Direct and Overlapping
	Basic Rate	Debt Service	Total Direct	State	County (b)	Junior College	Board of Education (c)	Merriam Drainage Bd.	Total Overlapping	
2010	\$ 24.991	\$ 2.361	\$ 27.352	\$ 1.500	\$ 23.213	\$ 8.784	\$ 55.318	\$ 2.615	\$ 91.430	\$ 118.782
2011	25.102	2.372	27.474	1.500	23.256	8.799	57.192	2.849	93.596	121.070
2012	25.045	2.367	27.412	1.500	23.188	8.776	56.135	3.038	92.637	120.049
2013	25.146	2.376	27.522	1.500	23.210	8.785	55.766	3.091	92.352	119.874
2014	25.240	2.385	27.625	1.500	23.247	9.551	55.611	3.127	93.036	120.661
2015	25.238	2.367	27.605	1.500	23.270	9.461	55.911	3.088	93.230	120.835
2016	25.140	2.536	27.676	1.500	26.595	9.469	54.059	2.002	93.625	121.301
2017	26.637	1.036	27.673	1.500	26.607	9.473	54.940	1.852	94.372	122.045
2018	26.703	1.038	27.741	1.500	26.351	9.503	53.663	2.403	93.420	121.161
2019	26.837	1.043	27.880	1.500	26.013	9.266	52.427	1.700	90.906	118.786

Source: Johnson County Appraiser's Office

- (a) Overlapping rates are those of local and county governments that apply to property owners within the City of Merriam.
- (b) County rate includes Johnson County, Parks and Recreation District, and Library
- (c) Shawnee Mission School District No. 512

**City of Merriam, Kansas  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

**Table 10**

<u>Taxpayer</u>	<u>2019</u>			<u>2010</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
IKEA Property, Inc.	\$ 9,846,751	1	4.90%	\$ -		-
Merriam Town Center	9,278,250	2	4.62%	7,062,501	1	4.39%
Aristocrat Motors	4,090,838	3	2.04%	2,948,493	2	1.83%
Santa Fe Medical Building	3,827,000	4	1.91%	2,650,000	3	1.65%
Hendrick Automotive-Lexus	2,871,146	5	1.43%	-		-
Georgetown Medical Building	2,790,000	6	1.39%	1,442,500	9	0.90%
Hendrick Automotive-Toyota	2,780,136	7	1.38%	-		-
Home Depot	2,701,750	8	1.35%	-		-
Car Max	2,689,991	9	1.34%	2,612,498	4	1.62%
Pinegate Apartments	2,689,160	10	1.34%	-		-
G.E. Credit	-		-	2,245,501	5	1.40%
Antioch Plaza Office	-		-	1,914,500	6	1.19%
Baron BMW	-		-	1,748,930	7	1.09%
Georgetown Apartments	-		-	1,616,555	8	1.01%
Superior Chevrolet	-		-	1,390,903	10	0.86%
	<u>\$ 43,565,022</u>		<u>21.70%</u>	<u>\$ 25,632,381</u>		<u>15.94%</u>

Source: Johnson County Appraiser's Office

**City of Merriam, Kansas  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Table 11**

<u>Fiscal Year (a)</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years (b)</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2010	\$ 4,399,200	\$ 4,256,814	96.76%	\$ 100,126	\$ 4,356,940	99.04%
2011	4,132,227	4,029,285	97.51%	84,574	4,113,859	99.56%
2012	4,008,423	3,882,278	96.85%	92,063	3,974,341	99.15%
2013	3,986,833	3,879,588	97.31%	97,606	3,977,194	99.76%
2014	4,121,652	4,037,075	97.95%	41,877	4,078,952	98.96%
2015	4,486,131	4,406,678	98.23%	43,226	4,449,904	99.19%
2016	4,752,735	4,635,807	97.54%	43,370	4,679,177	98.45%
2017	5,176,528	5,122,174	98.95%	54,708	5,176,882	100.01%
2018	5,272,454	5,151,191	97.70%	(17,763)	5,133,428	97.36%
2019	5,599,756	5,444,424	97.23%	12,640	5,457,064	97.45%

Source: Johnson County Treasurer's Office

(a) Property taxes are received in the year following the tax levy.

(b) Negative collections relate to property tax reductions and refunds.

**City of Merriam, Kansas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**Table 12**

Fiscal Year	Governmental Activities					Total	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment G.O. Bonds	TIF Revenue Bond	Subordinate Special Obligation TIF Bond (a)	Tax Increment Contractual Liabilities (b)			
2010	\$ 13,061,128	\$ 2,900,000.00	\$ 2,275,450	\$ 2,742,498	\$ -	\$ 20,979,076	6.1%	\$ 1,907
2011	10,638,711	2,580,000	975,450	2,700,830	-	16,894,991	5.3%	1,535
2012	10,066,432	695,000	-	2,399,394	-	13,160,826	4.1%	1,196
2013	7,447,796	355,000	-	1,769,859	-	9,572,655	2.9%	857
2014	6,102,132	-	-	1,260,448	-	7,362,580	2.2%	653
2015	5,317,645	-	-	407,969	-	5,725,614	1.7%	507
2016	4,503,158	-	-	-	-	4,503,158	1.3%	399
2017	3,653,671	-	-	-	-	3,653,671	1.0%	325
2018	24,595,139	-	-	-	-	24,595,139	5.5%	2,194
2019	22,042,401	-	-	-	-	22,042,401	5.1%	1,972

- Notes:
- The General Obligation Bonds balance includes unamortized premiums.
  - See Table 17 for personal income data.
  - Details regarding the City's outstanding debt can be found in Note III. C. to the financial statements.

(a) In 2012, a prior period adjustment was applied to the Subordinate Special Obligation TIF Bond. The Trust Indenture provided for the application of positive cumulative net amount payments toward the principal of the Subordinate Bond. The change has been applied retroactively only to 2010. See Note III. C. to the financial statements for additional information.

(b) In 2012, a prior period adjustment reflected a change in methodology for recording of tax increment contractual liabilities. The City now records such liabilities only when pledged revenue is recognized. Under the prior methodology, the liability was recorded when TIF project costs were certified as eligible for reimbursement. The change has been applied retroactively. See Note III. C. to the financial statements for additional information.

**City of Merriam, Kansas**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**Table 13**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Net Bonded Debt Outstanding</b>	<b>Percentage of Estimated Actual Valuation of Property (a)</b>	<b>Percentage of Equalized Assessed Valuation of Property (b)</b>	<b>Bonded Debt Per Capita</b>
2010	\$ 15,961,128	\$ 47,918	\$ 15,913,210	1.75%	9.69%	\$ 1,446
2011	13,218,711	71,423	13,147,288	1.47%	8.24%	1,195
2012	10,761,432	110,424	10,651,008	1.22%	6.73%	953
2013	7,802,796	162,407	7,640,389	0.86%	4.72%	684
2014	6,102,132	55,077	6,047,055	0.64%	3.43%	536
2015	5,317,645	44,696	5,272,949	0.53%	2.84%	467
2016	4,503,158	34,208	4,468,950	0.41%	2.21%	396
2017	3,653,671	36,000	3,617,671	0.33%	1.76%	322
2018	24,595,139	31,745	24,563,394	2.07%	11.35%	2,191
2019	22,042,401	200,754	21,841,647	1.78%	9.90%	1,954

- Notes:
- The General Obligation Bonds balance includes unamortized premiums.
  - Details for outstanding debt can be found in Note III. C. to the financial statements.
  - See Table 8 for property value data. See Table 17 for population data.

(a) Estimated Actual Valuation is equal to appraised value and excludes motor vehicle valuations. Residential real estate is assessed at 11.5% of appraised value; commercial real estate at 25%; vacant land, personal, railroads and utilities rates are between 5% and 33%.

(b) Equalized Assessed Valuation includes real, personal, utilities, railroads and motor vehicles. Equalized Assessed Valuation is used to determine debt limitations.

**City of Merriam, Kansas  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2019**

**Table 14**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Merriam Estimated Overlapping Debt</u>			<u>Merriam Share</u>
			<u>Per Capita</u>	<u>% of Assessed Valuation</u>	<u>% of Est. Actual Valuation</u>	
Debt repaid with property taxes:						
Shawnee Mission USD No. 512	\$ 298,130,000	5.02%	\$ 1,339.96	7.30%	1.22%	\$ 14,978,099
Johnson County	18,473,577	1.84%	30.41	0.17%	0.03%	339,931
Johnson County Community College	51,710,000	1.84%	85.12	0.46%	0.08%	951,512
Parks & Recreation	30,740,000	1.84%	50.60	0.28%	0.05%	<u>565,645</u>
Subtotal, overlapping debt						\$ 16,835,188
City direct debt (see Table 12)						<u>22,042,401</u>
Total direct and overlapping debt						<u><u>\$ 38,877,589</u></u>

Source: Johnson County Office of Financial Management

Note: See Table 17 for population data

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This Schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Merriam. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**City of Merriam, Kansas  
Legal Debt Margin Information  
Last Ten Fiscal Years**

**Table 15**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$49,255,580	\$47,878,996	\$47,476,790	\$48,569,185	\$52,880,166	\$55,744,362	\$60,549,913	\$61,539,910	\$64,900,265	\$66,174,029
Total net debt applicable to limit	<u>10,265,000</u>	<u>9,395,000</u>	<u>1,330,000</u>	<u>675,000</u>	-	-	-	-	<u>18,905,000</u>	<u>17,190,000</u>
Legal debt margin	<u>\$38,990,580</u>	<u>\$38,483,996</u>	<u>\$46,146,790</u>	<u>\$47,894,185</u>	<u>\$52,880,166</u>	<u>\$55,744,362</u>	<u>\$60,549,913</u>	<u>\$61,539,910</u>	<u>\$45,995,265</u>	<u>\$48,984,029</u>
Total net debt applicable to the limit as a percentage of debt limit	20.84%	19.62%	2.80%	1.39%	0.00%	0.00%	0.00%	0.00%	29.13%	25.98%

**Legal Debt Margin Calculation for Fiscal Year 2018**

Equalized Assessed Value (a)	\$220,580,096
Debt Limit (b)	66,174,029
Debt applicable to limit:	
General Obligation bonds and notes	19,385,000
Less: Refunding issue not subject to limit (c)	<u>(2,195,000)</u>
Total net debt applicable to limit	<u>17,190,000</u>
Legal debt margin	<u>\$48,984,029</u>

(a) Combination of Motor Vehicle values and Real Property Values

(b) Debt limits for Kansas cities are established by state statutes. Based on the statutes, the debt limit for the City of Merriam is 30% of assessed value.

(c) As provided by Kansas statute K.S.A. 10-309

**City of Merriam, Kansas  
Pledged Revenue Coverage  
Last Ten Fiscal Years**

**Table 16**

Fiscal Year	Special Assessment Bonds (a)				Tax Increment Revenue Bonds (b)				Tax Increment Contractual Liabilities (c)			
	Special Assessment Collections	Debt Service		Coverage	Property Tax Increment	Debt Service		Coverage	Property Tax Increment	Debt Service (c)		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest/Other	
2010	\$ 563,414	\$ 310,000	\$ 112,900	1.33	\$ 1,490,211	\$ 1,300,000	\$ 182,931	1.00	\$ 846,857	\$ -	\$ 756,737	1.12
2011	422,050	320,000	102,050	1.00	1,291,351	1,300,000	93,231	0.93	495,786	-	384,340	1.29
2012	420,850	330,000	90,850	1.00	1,150,248	1,276,886	124,906	0.82	485,952	-	430,690	1.13
2013	419,300	340,000	79,300	1.00	1,019,722	629,536	-	1.62	636,241	-	579,247	1.10
2014	422,400	355,000	67,400	1.00	1,035,954	509,411	-	2.03	1,112,306	-	1,190,924	0.93
2015	425,862	-	-	-	1,189,513	600,367	-	1.98	2,495,683	-	2,422,667	1.03
2016	423,283	-	-	-	819,440	407,969	-	2.01	2,558,658	-	2,491,851	1.03
2017	424,793	-	-	-	-	-	-	-	2,969,806	-	2,941,398	1.01
2018	425,375	-	-	-	-	-	-	-	2,805,931	-	2,777,952	1.01
2019	-	-	-	-	-	-	-	-	2,750,770	-	2,723,796	1.01

Note: Details regarding the City's outstanding debt can be found in Note III. C. to the financial statements.

- (a) Special assessment bonds were refunded early in 2001 due to additional payments made in 1998. The related special assessment taxes were collected through 2008. In 2008, new general obligation bonds with special assessment backing were issued and later paid off in 2014. The related special assessment taxes will be collected through 2018.
- (b) Tax increment revenue bonds and contractual liabilities are backed by the incremental real estate property tax revenue produced by the properties located in the redevelopment district. The bonds matured February 2016.
- (c) In 2012, a change in methodology occurred for recording of tax increment contractual liabilities. The City now records such liabilities only when pledged revenue is recognized. Under the prior methodology, the liability was recorded when TIF project costs were certified as eligible for reimbursement. As a result, such payments will be considered interest or "other" debt service payments. The change has been retroactively applied.

**City of Merriam, Kansas  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Table 17**

<u>Year</u>	<u>Population (a)</u>	<u>Median Age (b)</u>	<u>Personal Income</u>	<u>Unemployment Rate (c)</u>	<u>Per Capita Personal Income</u>		
					<u>Merriam (b)</u>	<u>Johnson County (c)</u>	<u>State of Kansas (c)</u>
2010	11,003	37.4	\$ 344,199,477	6.50%	\$ 31,282	\$ 53,196	\$ 38,737
2011	11,003	35.8	315,973,151	5.90%	28,717	53,365	38,787
2012	11,180	35.8	321,056,060	5.00%	28,717	56,752	42,079
2013	11,174	38.1	329,498,912	4.70%	29,488	59,524	43,015
2014	11,281	35.4	336,151,238	3.80%	29,798	60,068	43,916
2015	11,290	36.6	333,397,426	3.40%	29,530	62,005	45,876
2016	11,288	37.7	352,004,992	3.30%	31,184	65,050	48,537
2017	11,245	38.1	361,065,705	3.00%	32,109	66,063	47,603
2018	11,212	39.1	450,789,672	2.90%	40,206	69,977	50,155
2019	11,178	39.2	428,966,928	2.80%	38,376	74,010	51,471

(a) Population data for 2010 and 2011 is based on the 2010 Federal Census. The data for 2012-2019 is based upon State of Kansas estimates.

(b) County Economic Research Institute, Inc., Johnson County Zip Code Demographics.

(c) U.S. Bureau of Economic Analysis provides demographics by state and county.

**City of Merriam, Kansas  
Principal Employers  
Current Year and Nine Years Ago**

**Table 18**

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Adventist Health/Shawnee Mission Med Ctr	3,300	1	24.02%	2,800	1	20.00%
Synchrony Financial/GE Money Finance	800	2	5.82%	600	2	4.29%
IKEA Home Furnishings	350	3	2.55%	-		-
Seaboard Allied Milling	344	4	2.50%	175	6	1.25%
DS Bus Lines/First Student	340	5	2.47%	317	3	2.26%
Baron BMW/Shawnee Mission Kia	195	6	1.42%	170	9	1.21%
Aristocrat Motors	180	7	1.31%	175	7	1.25%
Hendrick Chevrolet/Nissan	180	8	1.31%	-		-
Carmax	169	9	1.23%	170	8	1.21%
Home Depot	145	10	1.06%	175	5	1.25%
Superior Chevrolet/Toyota	-		-	299	4	2.14%
Industrial Bearing (IBT)	-		-	167	10	1.19%
	<u>6,003</u>		<u>43.69%</u>	<u>5,048</u>		<u>36.06%</u>

Source: Employee totals provided by individual employers.

**City of Merriam, Kansas**  
**Full-Time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

**Table 19**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government										
Mayor/City Council	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
General Government	8.75	8.75	8.75	10.00	9.50	10.00	10.00	10.00	10.00	10.00
Information Services	0.50	0.50	0.50	0.60	0.60	0.60	1.00	1.00	1.00	1.00
Municipal Court	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Law enforcement										
Officers	28.00	28.00	29.00	29.00	30.00	30.00	30.00	30.00	30.00	30.00
Civilians	7.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	5.75
Fire prevention and control										
Firefighters (c)	23.00	23.00	23.00	23.00	22.00	-	-	-	-	-
Public works	20.96	20.96	20.96	20.96	20.96	20.96	21.96	21.96	21.96	22.96
Culture and recreation										
Community Center	9.36	9.36	9.36	9.36	9.36	9.36	9.36	9.36	9.36	11.36
Aquatic Center (d)	10.66	10.66	10.66	10.66	10.66	10.66	10.66	10.66	10.66	-
Merriam Marketplace	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32
Visitor's Bureau (a)	-	-	-	-	2.00	2.00	2.00	2.00	2.00	2.00
Community development	8.00	8.00	8.00	6.00	7.50	7.00	7.00	7.00	7.00	7.00
Capital improvement program (b)	-	-	-	2.00	2.40	2.40	2.40	1.40	1.40	1.40
<b>Total</b>	<b>128.30</b>	<b>127.30</b>	<b>128.30</b>	<b>129.65</b>	<b>132.80</b>	<b>110.80</b>	<b>112.20</b>	<b>111.20</b>	<b>111.20</b>	<b>103.54</b>

Source: City of Merriam Human Resources records

- (a) Previously included in General Government
- (b) Capital Improvements Program employees included in Community Development from 2009 through 2012
- (c) Fire services provided by the City of Overland Park after 2014
- (d) The Aquatic Center was demolished in 2018 to make way for the new Community Center, which will include both indoor and outdoor pools.

**City of Merriam, Kansas  
Operating Indicators by Function  
Last Ten Fiscal Years**

**Table 20**

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
General government										
Occupational licenses issued	966	945	911	993	932	855	1,034	828	765	781
Vendor payments by check	3,184	3,371	3,158	3,201	3,293	2,871	2,557	2,551	2,750	2,669
Court filings processed	9,172	8,063	7,841	8,369	11,341	9,670	6,992	6,741	7,223	5,198
Law enforcement										
Physical arrests	1,278	1,022	949	1,200	1,251	1,245	1,262	1,245	1,387	1,196
Accidents investigated	486	486	457	532	590	648	705	765	697	621
Traffic violations issued	9,202	8,499	7,788	8,112	7,244	9,251	6,790	6,612	7,424	5,043
Animal control service calls	576	624	451	442	474	450	451	517	519	454
Fire prevention and control										
Fire inspections performed	562	572	622	587	578	983	589	516	556	361
Alarm responses	1,542	1,687	1,693	1,769	1,826	1,882	1,810	1,949	1,873	1,736
Public education attendance	3,526	4,675	3,738	6,089	2,167	6,787	2,228	3,210	1,487	2,208
Public works										
Miles of street repair/overlay	2.2	3.5	4.0	4.5	4.5	11.3	3.6	2.5	3.9	1.8
Acres mowed	66	60	60	60	60	89	89	89	89	89
Miles of curbing/sidewalk repaired	3.0	2.5	1.5	1.0	1.0	1.9	2.8	1.9	3.2	2.1
Culture and recreation										
Community Center attendance	44,946	40,266	40,273	36,769	35,204	37,695	40,039	52,147	49,348	43,600
Aquatic Center attendance	25,996	29,967	30,000	20,376	20,375	25,608	23,885	20,405	18,216	n/a
Farmers' Market ave. wkly. attend.	708	546	500	686	679	672	759	704	592	454
Community development										
Construction permits issued	274	290	326	375	346	370	474	456	439	582
Value of new commercial const.	\$ -	\$ 43,109,064	\$ 22,160,963	\$ 53,858,792	\$ 7,623,420	\$ 16,472,811	\$ 2,501,419	\$ 4,190,000	\$ 59,582,901	\$ 9,210,374
Value of residential construction	\$ 248,550	\$ 685,000	\$ 1,048,000	\$ 3,112,937	\$ 2,205,130	\$ 3,596,411	\$ 2,987,716	\$ 2,622,210	\$ 3,554,319	\$ 25,075,504
Capital improvement program										
Number of projects managed	19	17	22	26	22	25	18	26	17	15

Source: City of Merriam departmental records

**City of Merriam, Kansas  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

**Table 21**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 (a)</u>	<u>2019</u>
General government										
Visitors' Bureau/Historical Plaza	1	1	1	1	1	1	1	1	1	1
Law enforcement										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	19	21	20	21	24	19	21	22	22	21
Animal control units	1	1	1	1	1	1	1	1	1	1
Fire control and prevention										
Stations	1	1	1	1	1	1	1	1	1	1
Emergency vehicles	4	4	4	4	4	4	4	4	4	4
Non-emergency vehicles	1	1	1	1	1	2	2	2	2	2
Rescue boat	1	1	1	1	1	1	1	1	1	-
Civil defense sirens	4	4	4	4	4	4	4	4	4	4
Public works										
Streets (miles)	113	113	113	113	113	113	113	113	113	113
Streetlights	1,615	1,646	1,683	1,692	1,731	1,799	1,915	1,949	2,003	2,053
Traffic signal locations	20	20	20	21	21	21	21	21	21	22
Maintenance vehicles	24	24	23	23	22	24	25	25	26	26
Culture and recreation										
Acreage of city parks	79.08	79.08	79.08	79.08	79.08	79.08	79.08	79.08	74.71	74.71
Parks	9	9	9	9	9	9	9	9	8	8
Community centers	1	1	1	1	1	1	1	1	1	1
Aquatic centers	1	1	1	1	1	1	1	1	-	-
Farmers' Market	1	1	1	1	1	1	1	1	1	1

Source: Capital asset records maintained by the Merriam Finance Department

(a) Vavra Park and Merriam Aquatic Center were demolished in September 2018 to construct a new community center/aquatic center projected to open in 2020.



## AGENDA ITEM INFORMATION FORM

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**AGENDA ITEM:** Johnson County Property Conveyance Agreement Addendum and Agreement for Shared Parking and Property Maintenance

**SUBMITTED BY:** Meredith Hauck, Assistant City Administrator

**MEETING DATE:** June 8, 2020

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### PROJECT BACKGROUND/DESCRIPTION:

The City began conversations with the Library and Johnson County in spring 2017 about an opportunity to co-locate a new branch on the same site as the new community center. In November 2018, the City Council and Johnson County Library Board approved a Memorandum of Understanding that outlined JCL's intent to build an approximately 16,000 sq. ft. library branch that provides library services to the general public on the same site as the new community center. In September 2019, the City Council and Johnson County Library Board approved a Property Conveyance Agreement identifying the terms of the land sale and areas where future agreements would need to be approved.

Before the Council for consideration is an addendum to the Property Conveyance Agreement and the Agreement for Shared Parking and Property Maintenance.

- The Addendum provides clarified language on the Parking Structure and Shared Parking, the Library Drive Through Lane, and incorporates the terms of the Shared Parking and Property Maintenance Agreement in the overall Property Conveyance Agreement.
- The Agreement for Shared Parking and Property Maintenance details the City's responsibilities for providing maintenance and upkeep of the overall site, and identifies how the Library will compensate the City for providing those services related to use of the parking structure, library property maintenance, adjoining area maintenance, and internal access drive maintenance. It also identifies that a future agreement will be reached regarding use of the shared plaza space between the two buildings. Specific maintenance fees and terms for use of the shared plaza space will be negotiated and approved by both parties no later than the date JCL receives a certificate of occupancy or temporary certificate of occupancy (2023) to allow the City time to determine actual costs related to these areas.

### CITY COUNCIL GOALS AND OBJECTIVES

Design and construct a Uniquely-Merriam Community Center and Aquatic Center

### FINANCIAL IMPACT

<b>Amount of Request/Contract:</b>	N/A
<b>Amount Budgeted:</b>	N/A
<b>Funding Source/Account #:</b>	N/A

### SUPPORTING DOCUMENTS

- Property Conveyance Agreement Addendum
- Agreement for Shared Parking and Property Maintenance

### ACTION NEEDED/STAFF RECOMMENDATION

Motion to approve

**ADDENDUM TO PROPERTY CONVEYANCE AGREEMENT**

**THIS ADDENDUM TO PROPERTY CONVEYANCE AGREEMENT** (the “**ADDENDUM**”) is made as of this \_\_\_ day of \_\_\_\_\_, 2020 (the “**Effective Date**”), by and between **THE BOARD OF DIRECTORS OF THE JOHNSON COUNTY LIBRARY (“JCL”)** and **CITY OF MERRIAM, KANSAS (“City”)**. Collectively, JCL and the City are referred to as the “**Parties**”.

**RECITALS:**

WHEREAS, City and JCL are parties to that certain Property Conveyance Agreement between JCL and the City with an Effective Date of October 10, 2019 (the “**Property Conveyance Agreement**”); and

WHEREAS, the City is the owner of that certain property which is the subject of the Property Conveyance Agreement and the subject of this Addendum and comprising approximately 0.947 acres, more or less, legally described on the Facility legal description attached to the Property Conveyance Agreement as Exhibit A and incorporated in this Addendum by reference (the “**Property**”) and located west of Slater Street and east of Ikea Way which is on land that is currently used as Lucyann C. Vavra Memorial Park in Merriam, Kansas; and

WHEREAS, the Property Conveyance Agreement provides for the City to grant and convey the Property to JCL for the purpose of JCL constructing and operating a new library branch facility (“**Project**”) on the Property; and

WHEREAS, the Parties desire to amend and supplement the terms of the Property Conveyance Agreement by approving this Addendum.

NOW, THEREFORE, for valuable consideration, the receipt, adequacy and sufficiency of which are acknowledged by the parties, City and JCL agree as follows:

**1. Amendments to Section 1 of the Property Conveyance Agreement.** The Parties agree that the following parts of Section 1 of the Property Conveyance Agreement are replaced and amended to read as follows:

**1.7 Parking Structure and Shared Parking.** City shall permit JCL to utilize the sixty-six thousand eight hundred (66,800) sq. ft. shared parking structure serving the Vavra Development containing a total of 202 passenger vehicle parking spaces (“**Parking Structure**”) to satisfy the daily parking needs of the Project. The City shall construct the Parking Structure at no cost to JCL as part of the Vavra Development. The City shall provide free parking to JCL patrons. The Parties hereby agree to terms for shared use of the Parking Structure, maintenance of the Parking Structure, and the terms and conditions under which JCL will participate in an annual payment to assist with the maintenance of the Parking Structure as more fully set forth in the Agreement for Shared Parking and Property Maintenance Agreement (“**Parking and Maintenance Agreement**”) attached to and incorporated in the Property Conveyance Agreement by reference marked as Exhibit 1.

**1.8 Project Timeline.** JCL shall provide City an updated project and construction timeline with anticipated dates and schedule for construction plans on the Project (“**Detail Project Timeline**”) within thirty (30) days of the date on which the Library executes a Guaranteed Maximum Price amendment to its preconstruction contract with its contractor for construction of the Project. Prior to that date, JCL agrees to periodically report to the City on its progress on site development.

**2. New Provisions that Are Supplemental to Section 1 of the Property Conveyance Agreement.** The Parties agree that Section 1 of the Property Conveyance Agreement shall be supplemented by adding the following new provisions:

**1.10 Library Lane.** JCL makes clear to the City the critical need for JCL to have a “drive-through” lane directly adjacent to or in close proximity to the Project for patrons, while in their vehicles, to be able to pick up library materials reserved for them under holds and to return library materials and books (“**Drive-Thru**”). The Parties agree to cooperate so that JCL may, at its sole expense, construct, maintain, and operate the Drive-Thru and associated facilities (collectively, “**Library Lane**”). The Library Lane shall be situated on the Property directly adjacent to the Project on the south side. Once plans for the Library Lane are more fully developed, the Parties shall enter into an agreement establishing the location and terms for operation of the Library Lane.

**3. Amendments to Section 3.1 of the Property Conveyance Agreement.** The Parties agree that Section 3.1 of the Property Conveyance Agreement is replaced and amended to read as follows:

**3.1 Maintenance of the Property.** The Parties acknowledge this Agreement provides for ongoing obligations and activities by the Parties that will occur after Closing and construction of the Project for operation and maintenance of the Property and Vavra Development (“**Property Maintenance**”). Property Maintenance includes but is not limited to Waste Disposal and Exterior Improvements and Internal Access Drive maintenance. The Parties hereby agree to terms for the Property Maintenance and the terms and conditions under which JCL will participate in an annual payment to assist with the maintenance of the Parking Structure as more fully set forth in Parking and Maintenance Agreement. The Parties further agree that within sixty (60) days of the date upon which the Vavra Plaza Development described in Section 3.4 of the Property Conveyance Agreement has been constructed and placed into operation by the City, they will enter into a written Addendum to the Parking and Maintenance Agreement to “address terms for Plaza use, management, and maintenance” by the City and the Library and applicable maintenance fees for such use to be paid by the Library to the City. The Parties agree fees and costs contemplated in the Parking and Maintenance Agreement, including the Structure Maintenance Fee, Adjoining Area Fee, and Drive Maintenance Fee, shall be fixed for a five-year term and adjusted for the subsequent five-year term based on the actual costs incurred in the previous

term's fifth year, as more specifically provided in the Parking and Maintenance Agreement.

**4. JCL's Agreement to Proceed with the Transaction under Section 4 of the Property Conveyance Agreement.** Pursuant to Section 4 of the Property Conveyance Agreement, JCL has completed its Studies and agrees to proceed with the transaction, subject only to (i) the performance of successful geotechnical tests, including but not limited to soil tests and borings, once the Property has been graded by the City; (ii) the Conditions Precedent, as defined in Section 6.4 of the Property Conveyance Agreement, including JCL receiving all applicable planning and zoning approvals from the City; and (iii) the City's failure to cure any of JCL's objections to form or contents of the Title Commitment or the Survey. JCL waives all other Studies under Section 2 of the Property Conveyance Agreement.

**5. Terms of Property Conveyance Agreement Otherwise Reaffirmed.** Except as otherwise set forth in this Addendum, the Parties agree and reaffirm that all the remaining terms of the Property Conveyance Agreement remain in full force and effect.

**6. This Addendum and the Property Conveyance Agreement to Be Recorded; Agreements in this Addendum Survive Closing.** The Parties agree that this Addendum and the Property Conveyance Agreement shall be recorded. The agreements made in this Addendum shall survive Closing and shall continue in force and effect until released by written agreement of the Parties or until JCL is no longer operating a branch library facility on the Property.

**7. Approval of this Addendum by JCL and the City; Ratification and Approval by the Board of County Commissioners.** The obligation of the Parties to proceed with this transaction is contingent on the approval of this Addendum by JCL on \_\_\_\_\_, 2020, and the City on \_\_\_\_\_, 2020, and on the ratification and approval of the Addendum by the Board of County Commissioners of Johnson County, Kansas, as required by K.S.A. 12-1223. JCL shall immediately submit the Addendum to the Board of County Commissioners for ratification and approval after JCL and the City have approved it.

**8. Miscellaneous.**

**8.1 Definitions.** All terms and definitions not specifically defined in this Addendum have those definitions assigned to them in the Property Conveyance Agreement.

**8.2 Incorporation of Recitals and Exhibits.** The Recitals set forth above are incorporated herein by reference and made a part of this Addendum. Unless expressly provided herein, all exhibits attached hereto or made by reference are incorporated in this Addendum.

**8.3 Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas. The parties hereby consent to jurisdiction and venue in Johnson County, Kansas, and agree that such jurisdiction and venue shall be sole and exclusive for any and all actions or disputes related to this Agreement or any related instruments.

**8.4 Headings.** Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

**8.5 Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and assigns.

**8.6 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same instrument

**8.7 Time of Essence.** Time is of the essence of every term, provision and covenant of this Addendum.

**8.8 Amendments.** This Addendum and the Property Conveyance Agreement may only be modified or amended further by written instrument executed by the Parties.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first set forth above.

*[Remainder of page intentionally left blank; signature pages follow.]*

**CITY:**

**CITY OF MERRIAM, KANSAS**

By: \_\_\_\_\_  
Ken Sissom, Mayor

Attest:

\_\_\_\_\_  
Juliana Pinnick, City Clerk

Approved As To Form:

\_\_\_\_\_  
Ryan Denk, City Attorney

**ACKNOWLEDGMENT**

STATE OF KANSAS            )  
  )ss.  
COUNTY OF JOHNSON    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2020 before me appeared Ken Sissom, who acknowledged himself to be Mayor of the City of Merriam, Kansas, and that he, as such and being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of said entity.

In Witness Whereof, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**JCL:**

**BOARD OF DIRECTORS OF THE  
JOHNSON COUNTY LIBRARY**

By: \_\_\_\_\_  
Amy Amos Ruo  
Chair

Approved as to Form:

\_\_\_\_\_  
Fred J. Logan, Jr., Counsel for the Board  
of Directors of the Johnson County Library

**ACKNOWLEDGMENT**

STATE OF\_KANSAS            )  
  )ss.  
COUNTY OF JOHNSON        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2020 before me appeared Amy Amos Ruo, who acknowledged herself to be Chair of the Board of Directors of the Johnson County Library, and that she, as such and being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of said entity.

In Witness Whereof, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

EXHIBIT 1

FORM OF AGREEMENT FOR SHARED PARKING AND PROPERTY MAINTENANCE

## AGREEMENT FOR SHARED PARKING AND PROPERTY MAINTENANCE

This Agreement for Shared Parking and Property Maintenance (the “Parking and Maintenance Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between the City of Merriam, Kansas, a Kansas municipal corporation (“City”) and the Board of Directors of Johnson County Library, Johnson County, Kansas, a quasi-municipal corporation organized under the laws of the state of Kansas (“JCL”) (collectively, the City and JCL are referred to as the “Parties”).

### RECITALS

A. City and JCL are parties to that Property Conveyance Agreement between JCL and the City with an effective date of \_\_\_\_\_, as amended (the “**Property Conveyance Agreement**”) wherein the City agrees to convey to JCL that real property comprising approximately 0.947 acres, more or less, legally described on the Facility legal description attached to the Property Conveyance Agreement as Exhibit A and incorporated in this Parking and Maintenance Agreement by reference (the “**Property**”), attached to and incorporated in this Agreement by reference, and located west of Slater Street and east of Ikea Way on land that is currently used as Lucyann C. Vavra Memorial Park in Merriam, Kansas; and

B. City’s conveyance of the Property is in consideration of JCL’s intention to construct upon the Property an approximately sixteen thousand (16,000) sq. ft. library facility (“**Facility**”) in approximately the location and form as shown on the Facility site diagram attached to the Property Conveyance Agreement as Exhibit B and incorporated in this Parking and Maintenance Agreement by reference (“**Development Diagram**”).

C. City has proposed a redevelopment plan for a project area contiguous with the Property, referred to as the Vavra Park Project (“**Vavra Development**”), which will incorporate the Facility, a community center, outdoor aquatic center, and shared Parking Structure serving the Vavra Development; and

D. City is constructing a parking Structure containing a total of 202 passenger vehicle parking spaces for purposes of shared parking at the Vavra Development between the community center, outdoor aquatic center, and the Facility (“**Parking Structure**”) to maximize efficiencies recognizing the compatible and complementary occupancies generated from the mixing of uses and the parking demand patterns of the various uses; and

E. The Property Conveyance Agreement and Addendum to the Property Conveyance Agreement (“Addendum”) contemplate that JCL will utilize shared parking in the Parking Structure to satisfy the daily parking needs of the Library Facility and provide that the Parties will enter into a separate agreement to address the terms under which JCL will participate in an annual payment to assist with the maintenance of the Parking Structure and the maintenance of the Property and shared spaces within Vavra Development; and

WHEREAS, the Parties desire to enter into this Shared Parking and Maintenance Agreement setting forth the terms and conditions of the shared parking arrangement and maintenance of the Parking Structure and Property.

NOW, THEREFORE, in consideration of the covenants contained herein, the City and JCL agree as follows:

1. Use of Parking Structure. Commencing on the date JCL receives a certificate of occupancy or temporary certificate of occupancy (TCO), whichever is earliest (the “Effective Date”), JCL shall have non-exclusive use of the Parking Structure seven days a week for use by JCL employees and patrons of the Facility. There shall be no limitation on the hours during which JCL employees may make use of the Parking Structure. The parking model upon which the shared parking arrangement is based contemplates approximately 46 total parking spaces available for the Facility (the “JCL Parking”), consisting of four (4) spaces for JCL employees and 42 spaces for Facility patrons, recognizing that these may increase or decrease slightly on any given day.
  - a. JCL employees are not required to, but will be encouraged to, utilize the top level of the Parking Structure as much as possible thereby leaving the covered parking spaces and lower levels available for patrons. There shall be no parking spaces specifically reserved for JCL employees. The City will use reasonable best efforts to maintain adequate parking levels in the Parking Structure sufficient for JCL employees to have four (4) parking spaces..
  - b. The Parties agree that in accordance with the CITY Code, the CITY may tow, at an owner’s expense, vehicles improperly parked or abandoned in the Parking Structure.
2. Parking Structure Maintenance. The City shall provide utilities to and routine maintenance of the Parking Structure, including but not limited to snow removal, trash removal, periodic sweeping, minor asphalt repair, and annually spraying the structure to remove salt, sand and debris (the “Parking Structure Maintenance”). Parking Structure Maintenance shall be done in a manner that provides standard upkeep and appearance without serious defect.
3. Annual Structure Maintenance Fee. JCL shall make an annual payment to the City, which represents of the City’s actual costs associated with providing the Parking Structure Maintenance (the “Structure Maintenance Fee”). For purposes of the Structure Maintenance Fee, JCL’s proportionate share is determined based on the 46 parking spaces for JCL Parking compared to the total number of parking spaces, 202 spaces, in the Parking Structure.
  - a. Unless otherwise agreed in writing by the parties, JCL shall annually pay the Structure Maintenance Fee to the City in a lump sum commencing with the first payment due within thirty (30) days after JCL’s receipt of the earlier of a Temporary Certificate of Occupancy or a Certificate of Occupancy for the library branch (the “Effective Date”) and shall be paid annually thereafter. The City shall submit invoices to JCL for such Garage Payment Maintenance Fees and JCL shall make payment within thirty (30) days of the date upon which the invoice is received.

- b. The City's decision to convey the Property to JCL was conditioned upon JCL's agreement to construct and operate a Facility as the City determined that this was beneficial to the Vavra Development. Recognizing the partnership between JCL and the City in this development project and the benefits received by each Party, the Structure Maintenance Fee included herein is discounted from what the City would charge a "for-profit" user.
  - c. After five (5) years from the Effective Date and every five (5) years thereafter, the Parties agree to adjust the amount of the Structure Maintenance Fee, if necessary, to increase or decrease the amount as appropriate based upon the CITY's actual costs incurred in the fifth year of the term. The annual Structure Maintenance Fee shall be strictly for the actual costs of Parking Structure Maintenance and not for construction or re-construction costs. The Parties shall cooperate to determine the Structure Maintenance Fee to be paid in each of the first five years from the Effective Date not later than the date JCL receives a certificate of occupancy or temporary certificate of occupancy (TCO) for the Facility, whichever is earliest..
4. Library Property Maintenance. The Library Property contains areas outside the Facility's exterior that shall be maintained consistent with the guidelines for the rest of the Vavra Development.
- a. Definitions. The following are defined terms for this Agreement:
    - i. "Adjoining Area" means the means the real property and improvements situated outside and along the Facility's exterior walls extending to the Property boundary line, as depicted on the Development Diagram, but excluding the improvements within the Internal Access Drive.
    - ii. "Adjoining Area Fee" means a reasonable quarterly fee in exchange for the Adjoining Area Maintenance.
    - iii. "Adjoining Area Maintenance" means cleaning, upkeep, snow and trash removal, and any other standard maintenance tasks necessary to keep the Adjoining Area consistent with City guidelines for the rest of the Vavra Development, and as more fully set forth below in Section 4.c.
    - iv. "Internal Access Drive" means any real property or improvements situated between the public street back of curb and within the dedicated public road right of way existing on the Property, as depicted on the Development Diagram.
  - b. Adjoining Area Capital Investment. JCL shall pay the initial capital investment to improve the real property and construct improvements on the Adjoining Area.

- c. Internal Access Drive Capital Investment. City shall pay the initial capital investment to improve the real property and construct improvements on the Internal Access Drive.
- d. Adjoining Area Maintenance. The City shall perform Adjoining Area Maintenance on the Adjoining Area. The Adjoining Area Maintenance does not include repairs resulting from vandalism, graffiti, or damage to the Adjoining Area.. Adjoining Area Maintenance includes but is not limited to the following activities:
  - i. Cleaning the exterior windows of the Facility on the same schedule the City cleans windows on the community center at the Vavra Development;
  - ii. Snow and ice removal and treatment on all car and courier truck routes, sidewalks and public ways, including up to the Facility's public and staff doorways;
  - iii. Regular lawn and turf mowing and landscaping maintenance in the Adjoining Area; and
  - iv. Trash, waste, and recycling removal from the exterior waste receptacle serving the Facility on the Property ("**Waste Disposal**"), and as set forth in greater detail in Section 7 below.
- e. Adjoining Area Fee. JCL shall pay the Adjoining Area Fee for the City's actual costs incurred for the Adjoining Area Maintenance.
  - i. Unless otherwise agreed in writing by the parties, JCL shall pay to the City the Adjoining Area Fee every three calendar months on a quarterly basis in a lump sum commencing with the first payment due within thirty (30) days from the Effective Date. The City shall submit invoices to JCL for such Adjoining Area Fees and JCL shall make payment within thirty (30) days of the date upon which the invoice is received.
  - ii. The City may employ third party contractors to perform Adjoining Area Maintenance. The City shall make every effort to engage contractors offering competitive pricing that is reasonable for such maintenance services.
  - iii. After five (5) years from the Effective Date and every five (5) years thereafter, the Parties agree to adjust the amount of the Adjoining Area Fee, if necessary, to increase or decrease the amount as appropriate based upon the City's actual costs incurred in the fifth year of the term. The Adjoining Area Fee shall be strictly for the actual costs of Adjoining Area Maintenance and not for construction or re-construction costs. The Parties shall cooperate to determine the Adjoining Area Fee to be paid in the first five years from the Effective Date not later than the date JCL receives a

certificate of occupancy or temporary certificate of occupancy (TCO) for the Facility, whichever is earliest.

- f. Internal Access Drive Maintenance. City shall perform Internal Access Drive cleaning, upkeep, snow and ice removal and treatment, and any other standard maintenance tasks necessary to keep the Internal Access Drive consistent with City guidelines for public roads (“**Drive Maintenance**”).
  - g. Internal Access Drive Maintenance Fee. JCL shall pay to the City an annual fee for Drive Maintenance (“**Drive Maintenance Fee**”). The City shall calculate the Drive Maintenance Fee based on JCL’s proportionate use of the Internal Access Drive, which is determined by the proportion of the 46 parking spaces for JCL Parking compared to the total number of parking spaces, 202 spaces, in the Parking Structure. The Drive Maintenance Fee shall be strictly for the actual costs of maintenance and not for construction or re-construction costs of the Internal Access Drive.
    - i. Unless otherwise agreed in writing by the parties, JCL shall annually pay the Drive Maintenance Fee to the City in a lump sum commencing with the first payment due within thirty (30) days after the Effective Date and shall be paid annually thereafter, within thirty (30) days after submission to JCL of an invoice for such Drive Maintenance Fees.
    - ii. After five (5) years from the Effective Date and every five (5) years thereafter, the Parties agree to adjust the amount of the Drive Maintenance Fee, if necessary, to increase or decrease the amount, as appropriate, based upon the City’s actual costs incurred in the fifth year of the term. The annual Drive Maintenance Fee shall be strictly for the actual costs of Drive Maintenance and not for construction or re-construction costs. The Parties shall cooperate to determine the Drive Maintenance Fee to be paid in each of the first five years from the Effective Date not later than the date JCL receives a certificate of occupancy or temporary certificate of occupancy (TCO) for the Facility, whichever is earliest.
5. Future Agreement on Maintenance of Vavra Development Plaza. The Parties acknowledge that section 3.4 of the Property Conveyance Agreement addresses the City’s development and construction of the Vavra Development Plaza (“**Plaza**”) and provides, “City and JCL shall agree upon terms for Plaza management by City and use of the Plaza by JCL.” The Parties accordingly agree that not later than the date JCL receives a certificate of occupancy or temporary certificate of occupancy (TCO) for the Facility, whichever is earliest, the Parties will enter into a written Addendum to this Parking and Maintenance Agreement to “address terms for Plaza use, management, and maintenance” by the City and the Library and applicable maintenance fees to be paid by the Library to the City in accordance with section 3.4 of the Property Conveyance Agreement.

6. Utilities. The Adjoining Area and Internal Access Drive require utilities, which may include but are not limited to water, electrical, irrigation, and gas services (the "Utilities"). The City shall cooperatively work with JCL to connect to the City's existing utility lines in the Adjoining Area and Internal Access Drive as may be appropriate based upon design and utility capacity. The Facility shall be separately metered for its Utilities.
7. Insurance. The Parties shall each maintain liability insurance as is standard for their business operations and shall provide the other party a certificate evidencing such coverage and showing the other party as an additional insured for liability arising out of that Party's negligence. The City shall be solely responsible for maintaining liability insurance for the Parking Structure. The insurance certificate for the Parking Structure issued by the City to the Library shall show both the Library and the Board of County Commissioners of Johnson County, Kansas as insureds. As the City will own the Parking Garage, it shall be responsible for properly maintaining it. In the event that a third party makes a claim for injury or damage resulting from the manner in which the Parking Structure is maintained or from a property defect at the Parking Structure, the City shall be responsible for handling and, if necessary, paying such claim. In the event such a claim is submitted by a third party to JCL, JCL shall tender such claim to the City for handling pursuant to this section 7.

The Parties shall each maintain workers compensation coverage as required under Kansas statute. The parties agree that there is no presumption of workers compensation liability for an injury incurred by a Library employee in the Parking Structure and nothing contained herein shall be construed to preclude a remedy other than workers compensation; however, to the extent that an employee of a Party to this Agreement incurs an injury in the Parking Structure which is deemed compensable under the workers compensation laws of the state of Kansas, each Party shall bear the liability for its own employees' workers compensation liability without recourse against the other Party to this Agreement.

8. Waste Disposal on the Property. JCL shall be responsible for causing a receptacle for Waste Disposal to be located on the Facility's exterior on the Property. The City shall provide Waste Disposal from the Property on the same schedule as the City provides waste disposal for the community center and outdoor aquatic center at the Vavra Development. Waste Disposal includes the waste generated from the Facility's interior and exterior spaces on the Property, provided however, JCL shall be responsible for depositing such waste in the waste receptacle. Such Waste Disposal services shall not apply to waste generated as part of Facility construction. The City shall commence Waste Disposal upon the Effective Date. JCL shall pay for Waste Disposal as part of the Adjoining Area Fee.
9. Term and Termination. This Parking and Maintenance Agreement may be terminated by either party in the event of a material default upon thirty (30) days prior written notice providing the defaulting party fourteen (14) days to cure such default, or such longer period if reasonably necessary. The Term of this Agreement shall continue for the useful life of the constructed improvements, or while the constructed improvements remain in normal operation by the Parties, including the Facility, Parking Structure, Internal Access Drive, Adjoining Area and Plaza. The useful life of the constructed improvements shall include the use of such constructed improvements by the Parties following substantial construction,

repair, renovation and/or reconstruction. The temporary unavailability of the constructed improvements for such construction, repair, renovation and/or reconstruction shall not terminate this Agreement.

10. Cooperation. The parties agree to cooperate and work together in good faith to effectuate the purpose of this Parking and Maintenance Agreement. The Parties agree to utilize their best efforts to share the Parking Structure, Internal Access Drive, and plaza and common spaces within the Vavra Development without disrupting the other party and to communicate and meet as necessary to address and facilitate solutions to any problems that might arise as a result of the shared parking arrangement.

11. General Provisions.

- a. Recitals. The recitals set forth above are incorporated herein by reference and made a part of this Parking and Maintenance Agreement.
- b. Assignment. This Parking and Maintenance Agreement is personal to JCL and if the Property is subsequently conveyed by JCL to another entity, this Parking and Maintenance Agreement may not be assigned without the City's written consent and would likely be modified based upon the assignee's use of the Property.
- c. Amendments. This Parking and Maintenance Agreement may only be modified or amended by written instrument executed by the Parties.
- d. Governing Law. This Parking and Maintenance Agreement is governed by and construed under the laws of the state of Kansas.
- e. Authority. The signatories to this Parking and Maintenance Agreement represent and covenant that each of them is fully authorized to enter into and execute this Parking and Maintenance Agreement on behalf of the above-named party.
- f. Third Party Beneficiaries. Nothing in this Parking and Maintenance Agreement shall be construed to confer upon any other party the rights of a third-party beneficiary.

IN WITNESS WHEREOF, the Parties have executed this Parking and Maintenance Agreement as of the date first written above.

*[Remainder of page intentionally left blank; signature pages follow.]*

**CITY:**

**CITY OF MERRIAM, KANSAS**

By: \_\_\_\_\_  
Ken Sissom, Mayor

Attest:

\_\_\_\_\_  
Juliana Pinnick, City Clerk

Approved As To Form:

\_\_\_\_\_  
Ryan Denk, City Attorney

**ACKNOWLEDGMENT**

STATE OF KANSAS            )  
  )ss.  
COUNTY OF JOHNSON    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2020 before me appeared Ken Sissom, who acknowledged himself to be Mayor of the City of Merriam, Kansas, and that he, as such and being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of said entity.

In Witness Whereof, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**JCL:**

**BOARD OF DIRECTORS OF THE  
JOHNSON COUNTY LIBRARY**

By: \_\_\_\_\_  
Amy Amos Ruo  
Chair

Approved As To Form:

\_\_\_\_\_  
Fred J. Logan, Jr., Counsel for the Board  
of Directors of the Johnson County Library

**ACKNOWLEDGMENT**

STATE OF\_KANSAS            )  
  )ss.  
COUNTY OF JOHNSON        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2020 before me appeared Amy Amos Ruo, who acknowledged herself to be Chair of the Board of Directors of the Johnson County Library, and that she, as such and being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of said entity.

In Witness Whereof, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_



## AGENDA ITEM INFORMATION FORM

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**AGENDA ITEM:** City Website Contract – OpenCities  
**SUBMITTED BY:** Meredith Hauck, Assistant City Administrator  
**MEETING DATE:** June 8, 2020

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### **PROJECT BACKGROUND/DESCRIPTION:**

In late 2019, the City's Communications Team began the process to select a new website service provider. Our current website was designed using the best practices of 2011, when most users were accessing websites from their desktop computers and the primary purpose of websites was to market and provide general information. That landscape has shifted significantly and now the majority of our users access our website from their mobile devices and they visit to complete a task or find very specific information. The City's current website platform has not evolved to easily achieve those goals, so the City released an RFQ in late 2019 seeking a new website design, CMS, and host in order to improve service delivery to our residents, businesses, and visitors. The ultimate goal of the project is to create a site that is easy for users to find what they need, flexible to the City's changing needs, and easy to manage. In addition, the website should be just as easy to use on mobile as it is on desktop, and the visual design must further enhance our "Just Right" brand.

There were 13 responses to the RFQ. A review committee comprised of the Communications Manager, Graphic Designer/Web Administrator, and Assistant City Administrator did an initial review to select three providers to move forward in the process. The City Clerk, Parks and Recreation Administrative Supervisor, and Councilmember Neal then joined the committee to conduct interviews with each of the finalists. As a result of this process and additional reference checks, staff is recommending that the City move forward with OpenCities as its website partner. OpenCities' "digital front door" approach is focused on providing a site that makes it easy to conduct business with the City, easy to find information about City events and services, and easy for staff to update and maintain due to the template-based CMS system, all while ensuring the website is accessible and visually appealing. A full overview of OpenCities' approach and how their platform addresses the City's required and desired needs is included in their attached proposal.

Once this contract is approved, the next step in the process is to put together a specific implementation plan for the City of Merriam. This process will include significant multi-department involvement, as well as a citizen feedback component. The goal is to launch the new website by early 2021.

#### *Examples of Other OpenCities Websites*

- Lynnwood, WA - <https://www.lynnwoodwa.gov>
- Miami, FL - <https://www.miamigov.com>
- Lakewood, CO - <https://www.lakewood.org>
- Belton, MO - <https://www.belton.org/>

**CITY COUNCIL GOALS AND OBJECTIVES**

Facilitate Better Communication Between the City and its Citizens: Continue to review, revise and enhance the City’s communications to ensure relevancy, accessibility, transparency, and a superior user experience.

**FINANCIAL IMPACT**

<b>Amount of Request/Contract:</b>	\$44,400
<b>Amount Budgeted:</b>	\$50,000
<b>Funding Source/Account #:</b>	001-1070-419-34-10 – IT Budget // Computer Services

**SUPPORTING DOCUMENTS**

- OpenCities Contract (includes OpenCities Proposal)

**ACTION NEEDED/STAFF RECOMMENDATION**

Motion to approve

## SOFTWARE AS A SERVICE AGREEMENT

This Software As A Service Agreement (this “Agreement”) is dated June , 2020 (the “Effective Date”), and is by and between OpenCities, Inc., a Delaware corporation (“OpenCities”), and the City of Merriam, Kansas (“Customer”). This Agreement includes *Schedules A and B* hereto, as well as OpenCities’ Acceptable Use Policy, Privacy Policy, and SLA (all as defined below in Article 1), and all such documents are incorporated herein by this reference.

OpenCities offers website publishing, management and hosting services for local government websites utilizing proprietary content management system, and Customer desires that OpenCities provide such services to Customer, all on the terms and conditions set forth herein. Therefore, in consideration for the mutual promises of the parties set forth below, the adequacy of which consideration the parties hereby acknowledge, the parties agree as follows.

**1. DEFINITIONS.** The following capitalized terms will have the following meanings whenever used in this Agreement.

- 1.1. “Acceptable Use Policy” (“AUP”) means, as of any date, the version of OpenCities’ acceptable use policy posted at <http://support.OpenCities.com> as of such date.
- 1.2. “Business Day” means a day other than a Saturday or a Sunday on which banks in the State of California are open for business.
- 1.3. “Core Module” means the individual modules that are included within the SaaS. From time to time, new Core Modules will be introduced to the SaaS via Version Updates which are included in the Fees paid by Customer.
- 1.4. “Customer Data” means any and all data and information, including text, graphics, photographs, audio-visual elements, music, illustrations, video or other content, domain names, email, chat room content, bulletin board postings, or any other items or materials of Customer, any user or any other third party provided or permitted by Customer to be made available by or to reside within the SaaS or Customer’s Website.
- 1.5. “Customer’s Website” means the website(s) created by or on behalf of Customer through use of the SaaS for Customer’s internal business purposes.
- 1.6. “Customizations” has the meaning ascribed to it in Section 2.2(f).
- 1.7. “Documentation” means OpenCities’ standard user documentation and any other operating, training and reference manuals related to the SaaS, all of which are contained in the OpenCities Help Center.
- 1.8. “Integrations” means optional enhancements to the SaaS involving third party products or services, which are offered separately by OpenCities and are available for purchase by Customer via the OpenCities Help Center.
- 1.9. “Intellectual Property Rights” means all intellectual or industrial property, including without limitation any copyright, trade or service mark, patent, moral right, trade secret, logo, know

how, rights in relation to inventions, drawings, discoveries, improvements, technical data, formulae, computer programs, know-how, logos, designs, circuit layouts, domain names, business names, software, whether or not now existing, and whether or not registered or unregistered rights, and rights in respect of Confidential Information.

- 1.10. “Malicious Code” means code, files scripts, agents or programs intended to do harm, including, for example, viruses, worms, time bombs and Trojan horses.
- 1.11. “OpenCities Help Center” means the Documentation and the specifications for the SaaS (the “Specifications”) currently posted at <http://support.OpenCities.com>.
- 1.12. “Privacy Policy” means, as of any date, OpenCities’ privacy policy posted at <http://support.OpenCities.com> as of such date.
- 1.13. “SaaS” means the data traffic management, website publishing and web hosting services utilizing OpenCities’ proprietary content management system, including any Version Updates and Core Modules released by OpenCities, and all related Specifications and Documentation.
- 1.14. “Scheduled Maintenance Window” means the date and time slot identified by OpenCities in a written notice given to Customer via the OpenCities Help Center no later than 5 Business Days prior to the proposed Scheduled Maintenance Window to enable maintenance work and Version Updates to be performed. The Scheduled Maintenance Window will be outside of Customer’s normal business hours and periods of peak demand, whenever reasonably possible.
- 1.15. “SLA” or “Service Level Agreement” means OpenCities’ standard service level agreement as in effect from time to time, the current version of which is set forth in Schedule A hereto.
- 1.16. “Term” is defined in Section 12.1 below.
- 1.17. “Version Updates” means updated versions of the SaaS (indicated by a higher numerical version number) developed by OpenCities with enhancements or additions to the functionality, and/or performance improvements and bug fixes.

## **2. SCOPE AND USAGE OF SAAS.**

2.1. Use of SaaS. During the Term and upon payment of the applicable Fees set out in Schedule A hereto, OpenCities shall make the SaaS available to Customer in accordance with the terms of this Agreement solely for Customer’s internal business purposes. Customer may permit an unlimited number of its employees and its contractors to use the SaaS provided their use is solely for Customer’s internal business purposes and at all times in compliance with the terms of this Agreement. Customer agrees to be responsible for any breach of this Agreement by its contractors.

2.2. Scope of SaaS. Upon payment of the applicable Fees and subject to the other terms and conditions of this Agreement, OpenCities will provide the following services to Customer during the Term:

- (a) Website Publishing System. OpenCities will provide Customer with the website

publishing functionality set out in the SaaS Documentation and the Specifications.

- (b) Web Hosting. OpenCities will provide Customer with the data traffic management and web hosting services set out in Schedule A.
- (c) Maintenance and Support. OpenCities will provide the maintenance and support services set out in Section 3 hereof.
- (d) Service Level Agreement. OpenCities warrants that the SaaS will be available in accordance with the then applicable Service Level Agreement.
- (e) Customizations. OpenCities may provide Customer with developer training in setting up additional templates, functions or web services and other additional functionality to customise the SaaS ("Customizations"), or Customer may request that OpenCities develop Customizations on Customer's behalf. Any Customization services to be supplied by OpenCities will be provided pursuant to a separate statement of work executed by the parties. All such Customization services will be charged on a time and materials basis at OpenCities then-current rates for the applicable Customization services. Where Customizations have been produced by the Customer or a 3<sup>rd</sup> party, OpenCities is not responsible for any incompatibility between the Customizations and the SaaS, including those resulting from Version Updates to the SaaS. Where the Customizations have been produced by OpenCities, OpenCities agrees that such Customizations will be compatible with the then-current version of the SaaS in accordance with the terms set forth in the applicable statement of work. Customer acknowledges that the support and maintenance services set out in Article 3 will not be provided for any Customizations and that Customizations are not covered by the Service Level Agreement. If Customer desires to obtain support for any Customizations, any support offered by OpenCities will be charged on a time and materials basis at OpenCities' then-current rates for such support. Any Customizations developed by OpenCities shall be the property of OpenCities. Effective upon delivery of any such Customizations to Customer, OpenCities grants Customer a perpetual, nonexclusive, non-transferable, fully paid license to copy, modify, create derivative works of and use such Customizations as part of Customer's Website.
- (f) Additional Services. OpenCities may provide certain additional services from time to time under this Agreement as agreed by the parties in writing.
- (g) Use of Third Party Service Providers. Customer acknowledges that OpenCities has, and in the future may, retain one or more third party service providers to supply certain aspects of the SaaS, including certain of the facilities, equipment, products, services and connectivity necessary to offer the SaaS. Customer acknowledges that OpenCities currently obtains web hosting services from the provider identified in, and on the terms and conditions referenced in, Schedule A.

2.3. Documentation: Customer may reproduce and use the Documentation solely as necessary to support its use of the SaaS.

2.4. Users of Customer's Website. Customer may authorize an unlimited number of users to access and use Customer's Website. Customer agrees that it is not authorized to, and agrees not to, make any representations or warranties regarding the SaaS or OpenCities to any user or third party, and further agrees not to otherwise create or purport to create any obligations or liabilities on the part of OpenCities. Customer agrees to indemnify OpenCities for its and any user's acts and omissions related to Customer's Website and/or the SaaS. OpenCities has no obligation to provide support or any other services, or any SLA remedies or other remedies, to such users.

### **3. MAINTENANCE AND SUPPORT SERVICES.**

3.1. Maintenance and Support; SLA. Subject to the other provisions of this Article 3 and Customer's payment of all applicable Fees, during the Term:

- (a) OpenCities will provide the remedies listed in the SLA for any failure of the SaaS or the SaaS Documentation listed in the SLA. Such remedies are Customer's sole remedy for any failure of the SaaS, and Customer recognizes and agrees that if the SLA does not list a remedy for a given failure, it has no remedy. Any credits issued pursuant to the SLA for failure to meet the uptime guarantee specified in the SLA will apply to outstanding or future invoices only and are forfeited upon termination of this Agreement. OpenCities is not required to issue refunds or to make payments against such credits under any circumstances, including without limitation after termination of this Agreement.
- (b) OpenCities may revise the SLA or the features and functions of the SaaS at any time, provided no such revision materially reduces the features or functionality provided to Customer as set forth herein.
- (c) OpenCities will provide Customer with Version Updates. Customer acknowledges that Version Updates are mandatory and necessary for the proper function and security of the SaaS. Customer agrees to the implementation of all Version Updates by OpenCities. Implementation will occur during a Scheduled Maintenance Window. Any SaaS downtime or functionality issues arising during a Scheduled Maintenance Window will not be subject to the Service Level Agreement.
- (d) OpenCities grants Customer personnel unlimited access to the OpenCities Help Center to review the Documentation and Specifications. Customer acknowledges and agrees that it does not have an unlimited right to request maintenance and support services through the OpenCities Help Center; requests for maintenance and support must be made in compliance with paragraph (e) hereof.
- (e) OpenCities will make available to Customer an online and telephone help desk service, which will allow 2 designated support representatives of Customer who have received training in the SaaS to request maintenance and support services in accordance with the Service Level Agreement. Requests from other personnel will not be accepted. The contact details for the online and telephone help desk support services are set out in Schedule A.
- (f) Notwithstanding the provisions of paragraphs (d) and (e) above, where Customer's

Website is experiencing a Severity 1 problem, any Customer personnel may contact OpenCities via the telephone help desk to report the Severity 1 problem.

### 3.2. Scheduled and Emergency Maintenance.

- (a) OpenCities agrees to use commercially reasonable efforts to conduct all SaaS maintenance within a Scheduled Maintenance Window. However, Customer acknowledges that an unplanned event may occur that will require the need for OpenCities to perform maintenance on the SaaS on an emergency basis outside of a Scheduled Maintenance Window.
- (b) OpenCities will use reasonable efforts to give Customer advance notice of emergency maintenance, but it is possible that advanced notification of emergency maintenance will not occur. Any SaaS downtime or functionality issues during the Scheduled Maintenance Window or during emergency maintenance will not be subject to the Service Level Agreement.

3.3 Conditions. OpenCities provision of the maintenance and support services set forth in this Article 3 is subject to the following conditions:

- (a) Customer must document and promptly report all errors or malfunctions of the SaaS to OpenCities or its assigned agents and representatives;
- (b) Customer must carry out procedures to rectify errors or malfunctions within a reasonable period after receiving instructions from OpenCities on such procedures; and
- (c) Customer must provide OpenCities with reasonable access to Customer's personnel, its assigned agents and representatives as required by OpenCities to meet its obligations under this Agreement.

3.4 Exclusions. OpenCities is under no obligation to provide the maintenance and support services specified in this Article 3 if they are requested as a result of or related to: (a) operation of the SaaS with other media and hardware, SaaS or interfaces not authorized or maintained in accordance with this Agreement or the Documentation; (b) use of the SaaS that is not in accordance with the Documentation; (c) any modification, alteration or addition or attempted modification, alteration or addition to the SaaS (unless such modifications were developed by OpenCities or authorised by OpenCities in writing); (d) failure of any data service, internet service or any other third-party service, or failure of a telecommunications connection, hardware, software, web services, or third party content, software, or equipment; or (e) any non-reproducible error or defect reported by Customer.

3.5 Abuse of Maintenance Services. In the event Customer abuses the maintenance and support services offered by OpenCities (e.g. by declaring a problem Severity Level 1 when it is only Severity Level 2, 3 or 4, unless such distinction could not reasonably have been determined, or by reporting problems which are not Severity 1 during non-business hours) an "Abuse Incident" will be noted, and OpenCities will inform Customer of such.

#### **4. FEES AND PAYMENT TERMS.**

4.1 Subscription Fees. Customer will pay OpenCities the annual subscription and other fees set forth in Schedule A (the “Fees”) during the Initial Term and the applicable Fees for each Renewal Term, which Fees are based on the resident population of Customer Except as otherwise expressly provided in this Agreement, all Fees are non-cancelable and non-refundable. The Fees for the first year of the Initial Term are payable within 30 days of execution of this Agreement, and the Fees for each successive year during the Initial Term and each Renewal Term shall be payable net 30 days from the date of OpenCities’ invoice.

4.2 Fee Adjustments. Upon expiration of the Initial Term, Fees may be adjusted for each Renewal Term to take into account any increases in the Consumer Price Index for all Items as published by the US Bureau of Labor Statistics and any adjustments in the resident population of Customer’s region. No later than ninety (90) days prior to the commencement of any Renewal Term, Customer agrees to provide OpenCities, upon OpenCities’ request, with the then current resident population within Customer’s region, and OpenCities shall revise the Fees for the ensuing Renewal Term if the population of the region has increased or decreased such that it falls within a different population band. Customer’s initial population band is set out in Schedule A. OpenCities shall notify Customer of any Fees adjustments made pursuant to this Section 4.2 at least seventy (70) days prior to the commencement of the applicable Renewal Term.

4.3 Excess Usage. If Customer uses any bandwidth or storage space in excess of the ‘allocated bandwidth and storage space’ set forth in Schedule A, OpenCities may, in its sole discretion, require that Customer pay additional traffic and server storage charges calculated in accordance with Schedule A. Customer’s and its users’ use of the SaaS and access to it is Customer’s responsibility. Customer is responsible for any unauthorised access to the SaaS resulting in bandwidth and/or storage usage exceeding the allocated limits and any charges resulting as a consequence.

4.4 Overdue Charges. If any invoiced amount is not received by OpenCities by the due date, then without limiting OpenCities’ rights or remedies, (a) those charges may accrue late interest at the rate of 1.5% of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower, and/or (b) OpenCities may condition future subscription renewals on payment terms shorter than those specified herein. Customer will be liable for all costs of collection of any undisputed, overdue amounts including, without limitation, all court costs, legal fees and other costs incurred by OpenCities.

4.5 Taxes. The Fees charged by OpenCities do not include any taxes, levies, duties or similar governmental assessments of any nature, including, value-added, sales, use or withholding taxes, assessable by any jurisdiction whatsoever (collectively, “Taxes”). Customer is responsible for paying all Taxes associated Customer’s purchase of the SaaS. If OpenCities has the legal obligation to pay or collect any Taxes for which Customer is responsible under this Section 4(e), then Customer agrees that OpenCities will invoice Customer that amount unless Customer provides OpenCities with a valid tax exemption certificate authorized by the appropriate taxing authority. For clarity, OpenCities is responsible for taxes assessable against it based on its income, property and employees.

4.6 Future Functionality. Customer agrees that its purchase is not contingent on the delivery of any future functionality or features, or dependent on any oral or written public comments made by OpenCities regarding future functionality or features.

## **5. CUSTOMER DATA & SECURITY.**

5.1. Customer Rights to Data. Customer retains all right, title and interest (including any Intellectual Property Rights) in and to all data and content supplied by or on behalf of Customer in connection with the SaaS and Customer's Website, including data uploaded by users thereof (collectively, the "Customer Data"). Customer hereby grants OpenCities a limited, non-exclusive, royalty-free, non-transferable license to host, reproduce, transmit, cache, store, exhibit, publish, display, distribute, perform, and otherwise use the Customer Data solely as necessary to provide the SaaS for Customer.

5.2. Responsibility for Customer Data. Customer is solely responsible for Customer Data, including the accuracy, quality, appropriateness and legality of all Customer Data and the means by which the Customer Data is acquired, and OpenCities shall have no responsibility or liability therefor. Customer represents and warrants to OpenCities that:

- (a) Customer owns or has the right to use Customer Data, and has the rights necessary to grant OpenCities the licence set forth in Section 5.1.
- (b) All Customer Data will be "server ready" and otherwise remain fully compatible with OpenCities' SaaS (including all software and operating systems); and
- (c) Customer has obtained all necessary rights, releases and consents to allow the Customer Data to be collected, used and disclosed in the manner contemplated by this Agreement and to grant OpenCities the rights herein.

5.3. OpenCities' Use of Customer Data. Unless it receives Customer's prior written consent, OpenCities: (a) will not access, process, or otherwise use Customer Data other than as necessary to facilitate the SaaS; and (b) will not intentionally grant any third party access to Customer Data, except subcontractors that are subject to a reasonable nondisclosure agreement. Notwithstanding the foregoing, OpenCities may disclose Customer Data, including, without limitation, user profile information (i.e. name, e-mail address, etc.), IP addressing and traffic information, and usage history, as required by applicable law or by proper legal or governmental authority. OpenCities will give Customer prompt notice of any such legal or governmental demand and reasonably cooperate with Customer in any effort to seek a protective order or otherwise to contest such required disclosure, at Customer's expense.

5.4. Protection of Customer Data. OpenCities will use commercially reasonable, industry standard administrative, physical and technical safeguards for the protection of the security, confidentiality and integrity of the Customer Data, including implementation of measures designed to prevent unauthorized access, use, modification, disclosure and loss of the Customer Data.

OpenCities will archive Customer Data on a regular basis during the Term by performing 6 daily and 8 weekly backups for the purposes of disaster recovery. In the event of equipment failure or data corruption, OpenCities will restore from the most recent uncorrupted archive. In the event of corruption of all of OpenCities archives, or in the event that an old archive is used to restore data, Customer will have the responsibility of uploading new Customer Data to Customer's Website. OpenCities will not be liable for incomplete, out-of-date, corrupt or otherwise deficient Customer Data recovered from OpenCities backups.

5.5. No Obligation to Monitor; Right to Remove. OpenCities may, but has no obligation to, monitor, review or edit Customer Data. In all cases, OpenCities reserves the right to remove, delete or disable access to any Customer Data that OpenCities determines, in the exercise of its sole discretion, violates this Agreement (including the Acceptable Use Policy) or is illegal, damaging, problematic, objectionable or otherwise inappropriate. OpenCities may take such action without prior notification of Customer.

5.6. Privacy Policy. The Privacy Policy applies only to the SaaS and does not apply to any third party website or service linked to the SaaS or recommended or referred to through the SaaS or by OpenCities staff.

5.7. Risk of Exposure. Customer recognizes and agrees that hosting data online involves risks of unauthorized disclosure or exposure and that, in accessing and using the SaaS, Customer assumes such risks. OpenCities offers no representation, warranty, or guarantee that Customer Data will not be exposed or disclosed through errors or the actions of third parties.

5.8. Aggregate & Anonymized Data. Notwithstanding the provisions above of this Article 5, OpenCities may use, reproduce, sell, publicize, or otherwise exploit Aggregate Data in any way, in its sole discretion. ("Aggregate Data" refers to Customer Data with the following removed: personally identifiable information and the names and addresses of Customer and any of its users.)

## **6. CUSTOMER'S OBLIGATIONS & RESTRICTIONS.**

6.1 Acceptable Use. Customer will comply with OpenCities' AUP as in effect from time to time. Customer will not: (a) sell, resell, license, sublicense, distribute, make available, rent or lease the SaaS or use the SaaS for service bureau or time-sharing purposes or in any other way allow third parties to exploit or access the SaaS, except users accessing Customer's Website as specifically authorized by this Agreement; (b) use the SaaS to store or transmit infringing, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party privacy rights; (c) use the SaaS to store or transmit Malicious Code; (d) share non-public SaaS features or content with any third party; (e) frame or mirror any part of the SaaS other than framing on Customer's own intranets or otherwise for Customer's internal business purposes; (f) reverse engineer any portion of the SaaS, or (g) access the SaaS in order to build a competitive product or service, to build a product using similar ideas, features, functions or graphics of the SaaS, or to copy any ideas, parts, features, functions or graphics of the SaaS. In the event that it suspects any breach of the requirements of this Section 6.1, including without limitation by Customer's users, OpenCities may suspend Customer's access to the SaaS without advance notice, in addition to such other remedies as OpenCities may have. Neither this Agreement nor the AUP

requires that OpenCities take any action against Customer or any user or other third party for violating the AUP, this Section 6.1, or this Agreement, but OpenCities is free to take any such action it sees fit. Any breach of the AUP or any of the provisions of this Article 6 will entitle OpenCities to elect to terminate this Agreement immediately upon written notice to Customer.

6.2 Unauthorized Access; Security. Customer will take reasonable steps to prevent unauthorized access to the SaaS and the network, including without limitation by protecting its passwords and other log-in information. Customer will notify OpenCities immediately of any known or suspected unauthorized access to or use of the SaaS or breach of its security and will use best efforts to stop said breach. Customer shall not:

- (a) interfere with or disrupt the integrity or performance of the SaaS or attempt to gain unauthorized access to the SaaS, or OpenCities' or its suppliers' related systems and networks;
- (b) commit, cause or allow any breach (or do anything which might put us in breach) of any applicable law, regulation, government direction or industry standard or code;
- (c) attempt to or actually access the SaaS by any means other than through the portals or interfaces provided by OpenCities;
- (d) attempt to or actually override any security component included in or underlying the SaaS; or
- (e) attempt or engage in any action that directly or indirectly interferes with the proper working of or place an unreasonable load on OpenCities' infrastructure.

6.3 Compliance with Laws. In its use of the SaaS, Customer will comply with all applicable laws, including without limitation laws governing the protection of personally identifiable information and other laws applicable to the protection of Customer Data.

6.4 Responsibility for Users; SaaS Access. Customer is responsible and liable for: (a) its own and its users use of the SaaS, including without limitation for any unauthorized user conduct and any user conduct that would violate the AUP or the requirements of this Agreement applicable to Customer; and (b) any use of the SaaS through Customer's account, whether authorized or unauthorized. Customer agrees to indemnify OpenCities against any loss or damage (except where and to the extent that such loss or damage is consequential in nature) that OpenCities suffers as a result of any unauthorized access to OpenCities' SaaS or network or those of OpenCities' suppliers.

6.5 Required Third Party Services.

- (a) Customer will establish and maintain, at its own expense, all telecommunications equipment and access lines necessary to gain access to the SaaS.
- (b) In order for OpenCities to provide some of the services under this Agreement, Customer may at times, be required to give OpenCities access to or provide login

information and password information for accounts or services Customer may have with third party providers. When Customer provides OpenCities with this information or provides OpenCities with access to these third party accounts, Customer warrants that it has all the necessary contractual and legal rights to give OpenCities such access, login information and passwords.

- (c) Customer acknowledges that OpenCities will not have any responsibility or liability with regard to any third party services used by the Customer on or through the OpenCities formed web content, such as payment and e-commerce services, and any use of such third party services will be at Customer's own risk. Customer further acknowledges that the technical ability to link to such services (such as the possibility of a 'PayPal' button), is provided only as part of the SaaS but will not be deemed to create any liability or responsibility on behalf of OpenCities.
- (d) Where any third party SaaS integration is found to cause performance, stability or security issues, OpenCities reserves the right to disable or remove that third party SaaS in order to restore our SaaS to acceptable levels.

6.6 Customer Representative. Customer will appoint a designated representative who will be authorized to act as the primary point of contact for Customer in dealing with OpenCities with respect to each party's obligations under this Agreement and on a timely basis.

## 7 OPENCITIES IP & FEEDBACK.

7.1 IP Rights in the SaaS. OpenCities retains all right, title, and interest in and to the SaaS, including without limitation all software used to provide the SaaS and all graphics, user interfaces, logos, and trademarks reproduced through the SaaS. This Agreement does not grant Customer any intellectual property license or rights in or to the SaaS or any of its components or any Documentation. Customer recognizes that the SaaS and its components and the Documentation are protected by copyright and other laws.

7.2 Feedback. OpenCities has not agreed to and does not agree to treat as confidential any Feedback (as defined below) that Customer or other users provide to OpenCities, and nothing in this Agreement or in the parties' dealings arising out of or related to this Agreement will restrict OpenCities's right to use, profit from, disclose, publish, keep secret, or otherwise exploit Feedback, without compensating or crediting Customer or the user in question. Customer hereby grants OpenCities a perpetual, irrevocable right and license to exploit Feedback in any and every way. ("Feedback" refers to any suggestion or idea for improving or otherwise modifying any of OpenCities's products or services.)

## 8 CONFIDENTIAL INFORMATION.

8.1 "Confidential Information" refers to the following items: (a) any document either party marks "Confidential"; (b) any information either party orally designates as "Confidential" at the time of disclosure, provided the disclosing party confirms such designation in writing within ten (10) Business Days; (c) any OpenCities software and all Documentation and other information in the OpenCities Help Center, whether or not marked or designated confidential; and (d) any other

nonpublic, sensitive information the receiving party should reasonably consider a trade secret or otherwise confidential. Notwithstanding the foregoing, Confidential Information does not include information that: (i) is in the receiving party's possession at the time of disclosure; (ii) is independently developed by the receiving party without use of or reference to Confidential Information; (iii) becomes known publicly, before or after disclosure, other than as a result of the receiving party's improper action or inaction; or (iv) is approved for release in writing by the disclosing party.

8.2 Nondisclosure. Neither OpenCities nor Customer will use Confidential Information for any purpose other than in performance of this Agreement (the "Purpose"). Each of OpenCities and Customer agrees that it: (a) will not disclose Confidential Information to any of its employees or contractors unless such persons need access in order to facilitate the Purpose and, in the case of a contractor, such contractor executes a nondisclosure agreement with the appropriate party with terms no less restrictive than those of this Article 8; and (b) will not disclose Confidential Information to any other third party without the disclosing party's prior written consent. Without limiting the generality of the foregoing, each party will protect Confidential Information with the same degree of care it uses to protect its own confidential information of similar nature and importance, but with no less than reasonable care. Each party agrees that it will promptly notify the other party of any misuse or misappropriation of the other party's Confidential Information that comes to its attention. Notwithstanding the foregoing, each party may disclose Confidential Information as required by applicable law or by proper legal or governmental authority, provided such party gives the other party prompt notice of any such legal or governmental demand and reasonably cooperates with the other party in any effort to seek a protective order or otherwise to contest such required disclosure, at the other party's expense.

8.3 Injunction. The parties agree that breach of this Article 8 would cause the disclosing party irreparable injury, for which monetary damages would not provide adequate compensation, and that in addition to any other remedy, and that the disclosing party will be entitled to injunctive relief against such breach or threatened breach, without proving actual damage or posting a bond or other security.

8.4 Termination & Return. With respect to each item of Confidential Information, the obligations of Section 8.1 above will terminate five (5) years after the date of disclosure; provided that such obligations related to Confidential Information of a party constituting trade secrets will continue so long as such information remains subject to trade secret protection pursuant to applicable law. Upon termination of this Agreement, each party will return all copies of the other party's Confidential Information to the other party or certify, in writing, the destruction thereof.

8.5 Retention of Rights. This Agreement does not transfer ownership of Confidential Information or grant a license thereto. Each party will retain all right, title, and interest in and to all of its Confidential Information.

8.6 Exception & Immunity. Pursuant to the Defend Trade Secrets Act of 2016, 18 USC Section 1833(b) (the "DTSA"), each party is on notice and acknowledges that, notwithstanding the foregoing or any other provision of this Agreement:

- (a) An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that- (A) is made- (i) in confidence

to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

- (b) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual- (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

## 9 **REPRESENTATIONS & WARRANTIES.**

9.1 **Mutual Representations and Warranties.** Each party represents and warrants to the other party that it has full power and authority to execute and deliver this Agreement, the execution, delivery and performance of this Agreement by such party has been duly authorized, and this Agreement, when executed and delivered, will constitute the binding obligation of such party, enforceable against such party in accordance with its terms and will not conflict with any other agreement or instrument to which it is a party or by which it is bound.

9.2 **OpenCities' Warranty.** OpenCities warrants that for the term of this Agreement, it shall remedy any service failures in accordance with the Service Level Agreement provided for within Schedule A attached hereto.

9.3 **Customer Representations and Warranties.** Customer represents and warrants to OpenCities that:

- (a) the Customer Data and its use will not violate, misappropriate or infringe any Intellectual Property Rights or any other personal, privacy or moral right arising under the laws of any jurisdiction, nor will same constitute a libel or defamation of any person or entity;
- (b) the Customer Data will not contain any harmful components, including, but not limited to, viruses, trap doors, hidden sequences, hot keys, or time bombs; and
- (c) Customer will comply with all applicable laws, rules and regulations (including, but not limited to, export control, decency, privacy and intellectual property laws).

9.3 **Exclusions.** OpenCities has no responsibility for any products or services not provided by OpenCities, its agents and subcontractors.

9.4 **Warranty Disclaimers.** Except to the extent set forth in the SLA and in Sections 9.1 and 9.2 above, THE SAAS IS BEING PROVIDED "AS IS" AND AS AVAILABLE, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTY

OF NONINFRINGEMENT, AND ANY IMPLIED WARRANTY ARISING FROM STATUTE, COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE, AND OPENCITIES DISCLAIMS SUCH WARRANTIES TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING OPENCITIES DOES NOT REPRESENT OR WARRANT THAT THE SYSTEM IS SECURE FROM HACKING OR OTHER UNAUTHORIZED INTRUSION OR THAT CUSTOMER DATA WILL REMAIN PRIVATE OR SECURE. OPENCITIES DISCLAIMS ALL LIABILITY AND INDEMNIFICATION OBLIGATIONS FOR ANY HARM OR DAMAGES CAUSED BY ANY THIRD-PARTY HOSTING PROVIDERS.

## 10 INDEMNIFICATION.

10.1 Indemnification of Customer. Subject to the other provisions of this Section 10.1, OpenCities will defend Customer and Customer's Associates (as defined below in Section 10.3) against any third party claim, suit, or proceeding alleging that the SaaS or the permitted use thereof infringes any U.S. trademark, patent, copyright, or trade secret right of a third party (an (collectively, "Customer Indemnified Claims") and will indemnify Customer and Customer's Associates from any damages, attorney's fees and costs finally awarded against Customer and Customer's Associates as a result of, of for amounts paid by Customer and Customer's Associates in a settlement approved by OpenCities in writing of, a Customer Indemnified Claim.

- (a) If in OpenCities reasonable judgment any Customer Indemnified Claim, or threat of any such Claim, materially interferes with Customer's use of the SaaS, OpenCities will, after consultation with Customer, at OpenCities' option and in its sole discretion, either (i) substitute functionally equivalent non-infringing SaaS or SaaS Documentation; (ii) modify the SaaS to make it non-infringing, (iii) obtain for the Council at OpenCities expense the right to continue using the infringing SaaS; or, (iv) if OpenCities' determines that it cannot achieve any of the foregoing on a reasonable commercial basis, it may, by written notice, require Customer to cease using the SaaS, in which case OpenCities shall refund Customer a pro-rata portion of the Fees (as set out in Schedule A) for the SaaS for such period of time for which Customer was unable to use the SaaS.
- (b) OpenCities' obligations set forth in this Section 10.1 do not apply to the extent that an Indemnified Claim arises out of: (a) Customer's breach of this Agreement; (b) revisions or modifications to the SaaS or any components thereof made by a party other than OpenCities if such infringement would not have occurred but for such revisions or modifications; (c) Customer's failure to incorporate or use any Version Updates, or any other updates or upgrades that would have avoided the alleged infringement, provided OpenCities offered such other updates or upgrades were provided to Customer without charge; (d) inclusion of the Customer Data; (e) the use of the SaaS other than for its intended purposes or contrary to OpenCities' Specifications; or (f) combination, operation or use of the SaaS with equipment, programs, hardware or software not provided by OpenCities if in OpenCities reasonable judgment such infringement is caused thereby.
- (c) The provisions of this Section 10.1 state OpenCities entire liability and Customer's sole

and exclusive remedy in the event of any Customer Indemnified Infringement Claims.

10.2 Indemnification of OpenCities. To the extent permitted by the Kansas Tort Claims Act, Customer will indemnify and defend OpenCities and OpenCities' Associates (as defined below in Section 10.3) against any and all claims, liabilities, losses, damages, costs and expenses caused by the negligent conduct of Customer (including attorneys fees and costs) (a) arising out of or related to Customer's or its users' alleged or actual use or misuse of, or failure to use the SaaS, including without limitation; (b) claims by Customer's users or by Customer's employees or agents; (c) claims related to unauthorized disclosure or exposure of personally identifiable information or other private Confidential Information, including Customer Data; (d) claims related to infringement or violation of a copyright, trademark, trade secret, or privacy or confidentiality right by any Customer Data; and (e) claims that use of the SaaS harasses, defames, or defrauds a third party or violates the CAN-Spam Act of 2003 or any other law or restriction on electronic advertising (collectively, "OpenCities Indemnified Claims").

10.3 Litigation & Additional Terms. The obligations of the indemnifying party ("Indemnitor") pursuant to Section 10.1 or 10.2 above will be excused to the extent that the indemnified parties (the "Indemnified Parties") or any Indemnified Party's Associates fails to provide prompt written notice to the Indemnitor of the applicable Indemnified Claim or to reasonably cooperate with the Indemnitor if such failure or lack of cooperation materially prejudices the defense. Indemnitor will control the defense of any Indemnified Claim, including appeals, negotiations, and any settlement or compromise thereof; provided that the Indemnified Party will have the right, not to be exercised unreasonably, to reject any settlement or compromise that requires that it admit wrongdoing or liability or subjects it to any ongoing affirmative obligations. (A party's "Associates" are its officers, directors, shareholders, parents, subsidiaries, agents, successors, and assigns.)

## 11 LIMITATION OF LIABILITY.

11.1 LIMITATION OF LIABILITY. THE TOTAL LIABILITY OF OPENCITIES' AND ITS AFFILIATES ARISING OUT OF OR RELATED TO THIS AGREEMENT WILL NOT EXCEED THE GREATER OF: (1) ACTUAL FEES RECEIVED BY OPENCITIES UNDER THIS AGREEMENT; OR (2) THE PROCEEDS OF ANY APPLICABLE POLICY OF INSURANCE.

11.2 Exclusion of Consequential Damages. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL, OR PUNITIVE DAMAGES, INCLUDING ANY DAMAGES FOR LOSS OF REVENUES OR GOODWILL, BUSINESS INTERRUPTION, LOSS OR INACCURACY OF DATA, COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY, OR LOST PROFITS, ARISING OUT OF OR RELATED TO THIS AGREEMENT.

11.3 Clarifications & Disclaimers. THE LIABILITIES LIMITED BY THIS ARTICLE 11 APPLY (a) REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT PRODUCT LIABILITY, OR OTHERWISE, (b) EVEN IF A PARTY IS ADVISED IN ADVANCE OF THE POSSIBILITY OF THE DAMAGES IN QUESTION AND EVEN IF SUCH DAMAGES WERE FORESEEABLE; AND (c) EVEN IF A PARTY'S REMEDIES FAIL OF

THEIR ESSENTIAL PURPOSE. NOTWITHSTANDING THE FOREGOING, THE LIABILITIES LIMITED BY THIS ARTICLE 11 SHALL NOT INCLUDE LIABILITY (i) UNDER THE INDEMNITY PROVIDED IN SECTION 10.1, (ii) FOR DEATH OR PERSONAL INJURY RESULTING FROM NEGLIGENCE, (iii) FOR DAMAGE TO TANGIBLE PERSONAL PROPERTY, OR (iv) FOR FRAUD OR WILLFUL MISCONDUCT. If applicable law limits the application of the provisions of this Article 11, OpenCities' liability will be limited to the maximum extent permissible. For the avoidance of doubt, OpenCities' liability limits and other rights set forth in this Article 11 apply likewise to OpenCities' affiliates, licensors, suppliers, advertisers, agents, sponsors, directors, officers, employees, consultants, and other representatives.

## 12 TERM & TERMINATION.

12.1 Term. The initial term of this Agreement (the "Initial Term") will commence on the Effective Date and continue for the period set forth in Schedule A. Thereafter, the Agreement will automatically renew for successive one-year periods (each such period, a "Renewal Term"), unless either party notifies the other party in writing of its decision not to renew the Agreement at least 60 or more days before the applicable renewal date. The Initial Term and all Renewal Terms are herein referred to as the "Term".

12.2 Termination for Cause. Either party may terminate this Agreement for the other's material breach by written notice, effective in 30 days unless the other party first cures such breach, or immediately upon written notice if the other party becomes subject to any insolvency, bankruptcy or similar proceeding, whether voluntary or involuntary. Without limiting OpenCities' other rights and remedies, OpenCities may suspend or terminate any user's access to the SaaS at any time, without advanced notice, if OpenCities reasonably concludes such user has conducted itself in a way that is not consistent with the requirements of the AUP or the other requirements of this Agreement or in a way that subjects OpenCities to potential liability. In the event of such a suspension, OpenCities shall provide written notice to Customer of the cause for such a suspension within three (3) business days and shall further identify requested remedial action of Customer to cure the cause of the suspension.

12.3 Effects of Termination. Upon termination of this Agreement, Customer will cease all use of the SaaS and delete, destroy, or return all copies of the Documentation in its possession or control, and Customer will have the right to access the SaaS for 30 days following termination of this Agreement to download Customer Data. If requested by Customer in writing, at the Customer's expense on a time-and-materials basis, OpenCities will provide Customer an export of the Customer Data in an industry standard format. Upon the expiration of this thirty-day period following termination of this Agreement, all Customer Data in the SaaS will no longer be available on OpenCities SaaS, as OpenCities will delete all such Customer Data (including all data supplied by third parties) from its SaaS, and will destroy all such Data, unless otherwise agreed by the parties in writing. Upon termination, OpenCities shall reimburse Customer any payments made hereunder on a pro rata basis from the date of the termination through the end of the then existing term and Customer shall be relieved of its obligation to make any further payments under this Agreement.

12.4 The following provisions will survive termination or expiration of this Agreement: (a) any obligation of Customer to pay Fees incurred before termination; (b) Sections 2.4, 5.3, 5.4 and 6.4,

and Articles 7, 8, 9, 10, 11 and 12; and (c) any other provision of this Agreement that must survive to fulfill its essential purpose.

### 13 MISCELLANEOUS.

13.1 Independent Contractors. The parties are independent contractors and will so represent themselves in all regards. Neither party is the agent of the other, and neither may make commitments on the other's behalf. The parties agree that no OpenCities employee or contractor is or will be considered an employee of Customer.

13.2 Notices. OpenCities may send notices pursuant to this Agreement to Customer's email address provided by Customer, and such notices will be deemed received 24 hours after they are sent. Customer may send notices pursuant to this Agreement to the person identified in Schedule A at the email address provided for such person, and such notices will be deemed received 72 hours after they are sent.

13.3 Force Majeure. No delay, failure, or default, other than a failure to pay fees when due, will constitute a breach of this Agreement to the extent caused by acts of war, terrorism, hurricanes, earthquakes, other acts of God or of nature, strikes or other labor disputes, riots or other acts of civil disorder, embargoes, or other causes beyond the performing party's due diligence and commercially reasonable control.

13.4 Assignment & Successors. Customer may not assign this Agreement or any of its rights or obligations hereunder without OpenCities' express written consent. Except to the extent forbidden in this Section 13.4, this Agreement will be binding upon and inure to the benefit of the parties' respective successors and assigns.

13.5 Severability. To the extent permitted by applicable law, the parties hereby waive any provision of law that would render any clause of this Agreement invalid or otherwise unenforceable in any respect. In the event that a provision of this Agreement is held to be invalid or otherwise unenforceable, such provision will be interpreted to fulfill its intended purpose to the maximum extent permitted by applicable law, and the remaining provisions of this Agreement will continue in full force and effect.

13.6 No Waiver. Neither party will be deemed to have waived any of its rights under this Agreement by lapse of time or by any statement or representation other than by an authorized representative in an explicit written waiver. No waiver of a breach of this Agreement will constitute a waiver of any other breach of this Agreement.

13.7 Choice of Law. With the exception of Kansas laws relating to the creation, existence, organization, operation and liability of Customer, which is a municipality organized and existing under the laws of the State of Kansas, this Agreement will be governed by the internal laws of the State of California, including without limitation applicable federal law, without reference to: (a) any conflicts of law principle that would apply the substantive laws of another jurisdiction to the parties' rights or duties; (b) the 1980 United Nations Convention on Contracts for the International Sale of Goods; or (c) other international laws. Kansas law shall govern all issues relating to the creation, existence, organization, operation and liability of Customer. The parties consent to the personal and exclusive jurisdiction of the federal and state courts of San Francisco, California.

This Section 13.7 governs all claims arising out of or related to this Agreement, including without limitation tort claims.

13.8 Dispute Resolution. If at any time a dispute arises out of or in connection with this Agreement, the parties will have their respective designated representatives meet in good faith with a view to resolving the dispute within a period of 15 Business Days from the issue of a written notice of dispute by one party to the other party. Should the parties not be able to resolve the dispute within the 15 Business Days, then both parties will refer the matter to their own appropriate level of senior executive management respectively for resolution. If the relevant senior executive management are unable to resolve the dispute within a further 10 Business Days, then the parties agree that the dispute must then be referred to mediation. The parties will agree on a suitable person to act as mediator having industry knowledge and expertise to facilitate resolution. Failing agreement on such appointment, either party may apply to JAMS to appoint a mediator. The dispute for mediation must be heard within 20 Business Days of a mediator being appointed. Nothing in this clause is intended to preclude a party from seeking equitable or injunctive relief. Neither party shall have the right to initiate litigation until 30 Business Days after the second mediation conference held by the parties, unless the other party has materially breached its obligation to mediate.

13.9 Conflicts. In the event of any conflict among the attachments to this Agreement, the documents incorporated herein referenced and the main body of this Agreement, the following order of precedence will govern, with lower numbers governing over higher ones: (1) any OpenCities policy posted online, including without limitation the AUP or Privacy Policy, (2) the main body of this Agreement; and (3) any other attachment or document.

13.10 Construction. The parties agree that the terms of this Agreement result from negotiations between them. This Agreement will not be construed in favor of or against either party by reason of authorship.

13.11 Technology Export. Customer will not knowingly: (a) permit any third party to access or use the SaaS in violation of any U.S. law or regulation; or (b) export any software provided by OpenCities or otherwise remove it from the United States except in compliance with all applicable U.S. laws and regulations. Without limiting the generality of the foregoing, Customer will not knowingly permit any third party to access or use the SaaS in, or export such software to, a country subject to a United States embargo (as of the Effective Date, Cuba, Iran, North Korea, Sudan, and Syria).

13.12 Entire Agreement. This Agreement sets forth the entire agreement of the parties and supersedes all prior or contemporaneous writings, negotiations, and discussions with respect to its subject matter. Neither party has relied upon any such prior or contemporaneous communications.

13.13 Execution in Counterparts. This Agreement may be executed in one or more counterparts. Each counterpart will be an original, but all such counterparts will constitute a single instrument.

13.14 Amendment. This Agreement may not be amended except through a written agreement signed by authorized representatives of each party. Notwithstanding the foregoing provisions of this Section 13.14, OpenCities may revise the Privacy Policy, AUP and SLA at any time in accordance with this Agreement by providing written notice to Customer or such revisions and

posting a new version of the applicable document on its website and/or providing a copy of the applicable document to Customer, and such new version will become effective on the later of (i) the date it is posted or provided or 45 days from the date notice is give to Customer.

13.15 Marketing. Customer agrees to permit OpenCities to make reasonable reference to the Customer's status as a user of the SaaS, including captioned quotations in product literature or advertisements, websites, articles, press releases, marketing literature, presentations and the like, and occasional use as a reference for potential new users.

*[Signature Page Follows]*

IN WITNESS THEREOF, the parties have executed this Agreement as of the Effective Date.

\_\_\_\_\_  
**CUSTOMER**

\_\_\_\_\_  
**OPENCITIES**

By: \_\_\_\_\_  
(signature)

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(print)

Name: \_\_\_\_\_  
(print)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# Schedule A -

## Project Budget

Your OpenCities project consists one-time setup fees and annual subscription fees:

<b>Project Management</b> - Site Design and Configuration, Project Management, All Training (excluding Digital Services Academy), Best Practice Consultation	One Time	\$13,500
<b>Website Design</b> - Development of user scenarios, style guide/digital design tool kit, user testing, including one additional design iteration for Merriam.org.	One Time	\$3,500
<b>CMS</b> (Software as a Service fee for main website)	Annual	\$8,950
<b>Data Migration</b> - Price varies based on structured content or full content migration	One Time	\$1,000 apx
<b>Hosting</b> on Microsoft Azure Government Cloud Included in CMS SaaS fee	Annual	Included
<b>Testing</b> - Included in CMS SaaS fee	One Time	Included
<b>Training</b> - Included in CMS SaaS fee	One Time	Included
<b>Maintenance</b> - Included in CMS SaaS fee	Annual	Included
<b>Other</b>		
<b>OpenForms Business</b> – 3 users	Annual	Included
<b>Upgrade to OpenForms Enterprise</b> Includes additional users, Workflow, Workspaces and Forms Versioning. <b>Recommended to meet city’s Report Issues requirement.</b>	Annual	\$4,500
<b>Digital Service Academy</b> (max. 20 people)	One Time	\$9,000
<b>Page Audit and Navigation Recommendation</b>	One Time	Included
<b>Subsite SaaS</b>	Annual	\$1,450
<b>Subsite Design</b>	One Time	\$2,500

## Total Project Fees

<b>Year 1</b>	One-Time Fees	\$29,500
	+ Annual Fee	+ \$14,900
	<b>Total fees</b>	<b>\$44,400</b>
<b>Year 2</b>	<b>Annual Fee</b>	\$14,900
<b>Year 3</b>	<b>Annual Fee</b>	\$14,900

**Website Hosting Specifics**

Hosting provided by	Microsoft Azure Gov
Allocated monthly bandwidth	200GB
Allocated server storage	40GB
Additional traffic charges	\$.20 per GB
Additional server storage charges	\$1.00 per GB

**Term of agreement**

Initial term of agreement	3 years
Subscription start date	Effective Date

## Service Level Agreement

Issue Severity Level and Measure/Guide	Resolution Process and Contact Information	Resolution Target
<p>Priority 1 – Downtime (Your public facing website or critical intranet is experiencing Downtime)</p>	<ul style="list-style-type: none"> <li>• Reportable 24 x 7 via Telephone – (877-466-7756 – Extension 3)</li> <li>• Acknowledgement and assignment of the problem for resolution within an hour.</li> </ul>	<p>Within 4 hours.</p>
<p>Priority 2 – Urgent (Important publishing functionality fails to work as intended, and there is no work-around available - you cannot publish content to the site).</p>	<ul style="list-style-type: none"> <li>• Reportable 24 x 7 via Online helpdesk, or</li> <li>• Telephone during business hours (7x6 PT). (877-466-7756 – Extension 2)</li> <li>• Acknowledgement and assignment of the problem for resolution within one business day.</li> </ul>	<p>Provide a workaround to the problem or release a Version Update to fix the problem by close of next business day.</p>
<p>Priority 3 – High (Important publishing functionality fails to work as intended, but workarounds are available)</p>	<ul style="list-style-type: none"> <li>• Reportable 24 x 7 via Online helpdesk. <a href="https://opencities.zendesk.com/agent/dashboard">https://opencities.zendesk.com/agent/dashboard</a></li> <li>• Acknowledgement and assignment of the problem for resolution within one business day.</li> </ul>	<p>Scheduled or next Version Update.</p>

<p>Priority 4 – Normal (Functionality is not working as intended)</p>	<ul style="list-style-type: none"> <li>• Reportable 24 x 7 via Online helpdesk. <a href="https://opencities.zendesk.com/agent/dashboard">https://opencities.zendesk.com/agent/dashboard</a></li> <li>• Acknowledgement and assignment of the problem for resolution within 3 business days</li> </ul>	<p>Within specified Version Update.</p>
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Subject to the terms and conditions of the Agreement, OpenCities provides a guarantee of 99.9% uptime availability, calculated monthly. In a typical 30 day/730 hour month, this equates to no more than 1 hour of downtime per month (not inclusive of Scheduled Maintenance and emergency maintenance).

For confirmed downtime during any month during the Term, Open Cities will credit Customer 1% of Customer’s pro-rata monthly Base Subscription Fee for every hour of Customer’s public facing website downtime over and above the 99.9% uptime guarantee, up to a maximum of 100% of the pro rata monthly Base Subscription Fee for that month.

**Notices to OpenCities:**

Address:  
OpenCities, Inc.  
1314 22<sup>nd</sup> Avenue, #697  
San Francisco, CA 94122  
Attention: Cynthia Francis  
Email:cynthia@opencities.com

**Notices to Customer:**

City of Merriam, Kansas  
9001 W. 62<sup>nd</sup> Street  
Merriam, KS 66202  
Attention: Jenna Gant  
jgant@merriam.org

Schedule B – (attach project plan)

# Schedule C – RFQ Response



**Serve Better.** We empower local governments to create better web, intranet and online service experiences that last.

Merriam, Kansas

RFQ – Website Provider

Prepared by OpenCities, Inc.

Luke D. Norris, Managing Director

816-200-8925 | [luke@opencities.com](mailto:luke@opencities.com)

December 23, 2019

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# Cover Letter

Thank you for the opportunity to introduce you to OpenCities and our work transforming local government. Today, **your City website has become the digital front door to all City resources and departments.** By default, it must be easy for users to find what they are looking for and transact their business on whatever device they prefer.

And because city departments need to provide excellent digital content in order to assure that experience for users, the website must be easy to update and maintain. A CMS alone is not enough. **It is time for a better approach to envisioning, building, maintaining and growing the city website.**

OpenCities offers a complete package of services and technology that deliver a mobile responsive, accessible/compliant, fully featured and affordable website without any custom development. **We have over 10 years of experience providing best practices for effective government websites and promote a “Digital Services” approach** to convert your site from providing marketing and information to become a fully transactional digital services portal. The **OpenCities approach has produced significant ROI for our government partners**, like Grand Rapids, Michigan who **reduced walk-in traffic 20%** by launching 200+ digital services, and Orlando, Florida who **increased customer satisfaction by 65%**. OpenCities puts the public and the government employees jointly at the center of our solution. An active local government user community drives the OpenCities product roadmap, ensuring our technology is continually evolving in a way that creates ongoing value for our customers. **Simply put, your city will never be left with an outdated website or with the need to spend tens of thousands of dollars to redesign its site in the future.**

Sincerely,



Luke D. Norris, Managing Director



## Philosophy and Key Values

OpenCities is committed to delivering the best possible local government website platform.

- OpenCities uses **user-centered design** principals to create **digital services** that provides self-service options for your community, rather than just migrating current content to a more beautiful container. This increases satisfaction and trust in government for your residents, businesses and visitors.
- OpenCities uses **data driven decision making**. OpenCities is uniquely positioned to learn from real world behavior by looking at how existing services are used in your city, as well as across all of our customers.
- **If you can't find it, you can't use it!** We believe that site visitors shouldn't have to know how local government operates to find the information and services they are seeking. A powerful predictive search engine utilizing natural language, and a clear set of top tasks on the homepage mean most users find what they need in one click. Your city's tasks are prioritized by YOUR usage data (not extrapolated from aggregate data).
- OpenCities is **mobile first**, and our product templates and your content are tested for **accessibility** and **readability**. OpenCities offers a selection of tested and proven content templates that create better digital experiences for your users. Every pattern in **OpenCities meets the high accessibility standards outlined in WCAG 2.0/2.1 AA** and **Section 508** and use responsive mobile ready frameworks. Our patterns and designs are easy to adapt to support the diverse scope and needs of government digital services.
- OpenCities sites are **easily navigable** and **beautiful** to experience, and **easily updated** and **managed by non-technical staff**.
- OpenCities is totally focused on improving our product for and with local governments, and **our product roadmap is entirely developed through input from our government customers**.



- OpenCities provides **training and governance workshops** specifically tailored to each type of government user. Our robust **online support** and **product feedback** portal encourage your staff's participation in our ongoing product improvement.
- OpenCities gives government staff the tools and appropriate **workflow and permissions** to change homepage images/look-and-feel, add forms and services, add CSS to the site when/where needed, and manage the pages and navigation of their site without coming back to our team for changes or ongoing development. As a **SaaS product**, we provide IT and technical teams with tools and access and deliver the right balance of access and input for those who know what they are doing, and guidelines for content publishers that are not engineers or designers.



# Vendor Profile

OpenCities exists to help local governments serve better. When we started this journey ten years ago, we realized this vision by building custom city websites that put **resident needs** at the front and center of every design decision.

By making it easy for **everyone** in the community to find information, and self-serve at any time of day, on any device, we helped rebuild trust and satisfaction between local government and its residents. But it didn't last.

Influenced by the digital tools they used every day, resident expectations of government websites and online services were evolving faster than cities could possibly keep up with. Recognizing how many local governments around the world faced the exact same challenges, we knew there could be a better for cities and counties to deliver a consistently modern digital experience. And not just big counties with big teams and budgets, but **every city and county**.

And that's why we created OpenCities:

- As a platform that evolves in step with the world's best in digital government, OpenCities helps cities focus their time on applying proven best practices, rather than the creating them.
- as a platform that allows cities to collaborate, create and share new digital ideas with each other, OpenCities creates peer-to-peer communities of excellence, rather than cities going it alone.
- and as a platform that harnesses machine learning, OpenCities helps its users deliver better digital outcomes, by making smart, data driven decisions.

OpenCities is more than just a CMS, it's an entirely new way of thinking about how your county approaches its digital customer experience.



## Company details

<b>Company</b>	OpenCities Inc.
<b>FEIN</b>	36-4845826
<b>Address</b>	US HQ: 300 E. 39 <sup>th</sup> St., Kansas City, MO 64111 West Coast Office: 1885 Mission Street, SF, CA 94103 Australian Office: 50 Market Street, Melbourne, VIC 3000
<b>Full Time Employees</b>	43
<b>Phone</b>	877-466-7756
<b>Website</b>	<a href="http://www.opencities.com">www.opencities.com</a>

## Contact information

<b>Name</b>	Luke D. Norris
<b>Title</b>	Managing Director
<b>Address</b>	300 E. 39 <sup>th</sup> St. Kansas City, MO
<b>Phone</b>	816.200.8925
<b>Email</b>	<a href="mailto:luke@opencities.com">luke@opencities.com</a>



# Team and Methodology

Once a contract is signed, each client is assigned a dedicated project manager. The project manager will be responsible for the project implementation from the contract to site launch, at which point the client will transition to a customer success manager.

The role of the project manager is defining a timeline and set of goals with the client, and then ensuring that they're met by the end of the project. The project manager will be supported by the consulting practice lead who runs workshops and trainings, as well as the product application specialist who helps clients creatively solve problems and maximize their use of the software.

While there are number of people that will be working in the background to ensure the success of your project, the key contacts the City of Merriam is likely to engage with include:



**Irina Tikhonova, Consulting Practice Lead**

[linkedin.com/in/irinatikhonova](https://www.linkedin.com/in/irinatikhonova)

Irina manages Customer Success and Client implementations for OpenCities. Irina previously worked in client management for software design and implementation at Volunteer Match, with a strong focus on corporate social responsibility, civic engagement, and social impact.

Her experience in the “tech for good” world shaped her skills in strategic planning, using data to make informed decisions, encouraging engagement on a deeper level, and managing projects from onset to completion. Irina will deliver all onsite meetings. She focuses on data, content, and training and will be pulled in at the appropriate times to fully enhance your digital transformation.





### Whitney Santini, Customer Onboarding Specialist

[linkedin.com/in/whitney-santini-32965322/](https://www.linkedin.com/in/whitney-santini-32965322/)

Whitney will manage the project from onset to completion, making sure the city side is up to date on the project every step of the way, as well as pulling in the correct OpenCities resources when needing for content, design, training, and more.

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### Rachel Burbank, Product Application Specialist

[linkedin.com/in/rachelgburbank](https://www.linkedin.com/in/rachelgburbank)

Rachel will support the project during both the sales and implementation phases, supporting demonstrations, workshops and training sessions. Rachel came to OpenCities in 2019 from the City of Lakewood in Colorado, who completed an RFP in 2018 where OpenCities was selected as their vendor of choice. She led a large portion of the redesign for Lakewood and has now transitioned to the OpenCities team where she uses her experience on the client side and expertise in the platform to support your team with creative application solutions from start to finish.

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### Cynthia Francis, COO

[linkedin.com/in/cynthiafrancis](https://www.linkedin.com/in/cynthiafrancis)

Cynthia manages global operations for OpenCities. Cynthia brings a combination of tech entrepreneurship skills born from leading successful software/CMS companies in the US & UK, combined with a deep passion for the government tech movement from her time leading product teams at Code for America. Cynthia supports the Growth, Onboarding and Customer Success teams to ensure customers enjoy a smooth process from contract negotiation, to project implementation and handover, and through to ongoing support.

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### **Luke Norris, Strategy & Government Relations**

[linkedin.com/in/lukednorris](https://www.linkedin.com/in/lukednorris)

With over 16 years of experience, and as the former senior director of Government Relations for Code for America, Luke advises Governors, Mayors, County Executives, Chief Innovation Officers around the United States on the topics of innovation, government technology and community engagement in 21st century government. Luke can assist local government website managers to effectively engage city leaders in the digital transformation journey.

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### **Colin Morris, Engineering Support Lead**

[linkedin.com/in/colin-morris-9385a959](https://www.linkedin.com/in/colin-morris-9385a959)

With over 15 years' experience in I.T. helpdesk leadership within local government, Colin holds a deep understanding of the needs, challenges and workings of city I.T. departments. Combined with his working knowledge of the common systems used across local governments across Australia, Colin will take lead on working with your I.T. team to support installation of our connectors and 3rd party system integrations, hosting and environment related matters, and engineering activities.

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### **Rachael Mullins, Content Strategist**

[linkedin.com/in/rachaelmullins](https://www.linkedin.com/in/rachaelmullins)

As a content strategist in the experience design team, Rachael works at the intersection of content and UX to create simpler digital government experiences for your community. She's passionate about plain language, content-first design and using words to build better government-citizen experiences. Rachel will assist with background strategy and advice to the team delivering your project.

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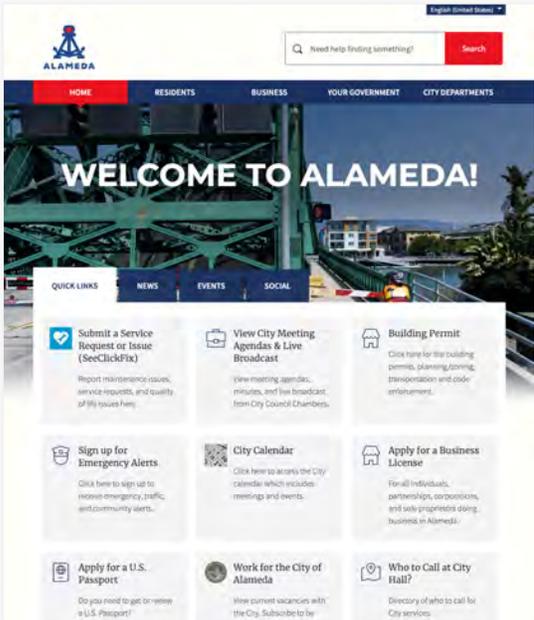
# Examples of Similar Projects

## Alameda, California

alamedaca.gov

Population: 88,000

Scope: OpenCities Website, OpenForms Enterprise, Digital Services Academy

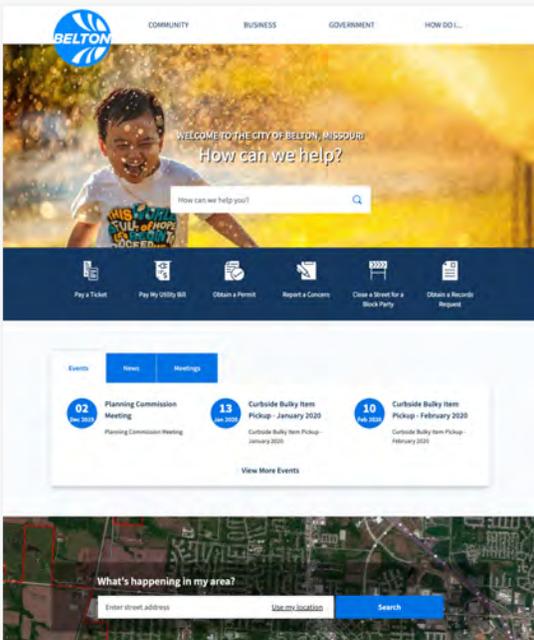


## Belton, Missouri

Site is in production and not currently live

Population: 23,000

Scope: OpenCities Website, OpenForms Business, Content Migration



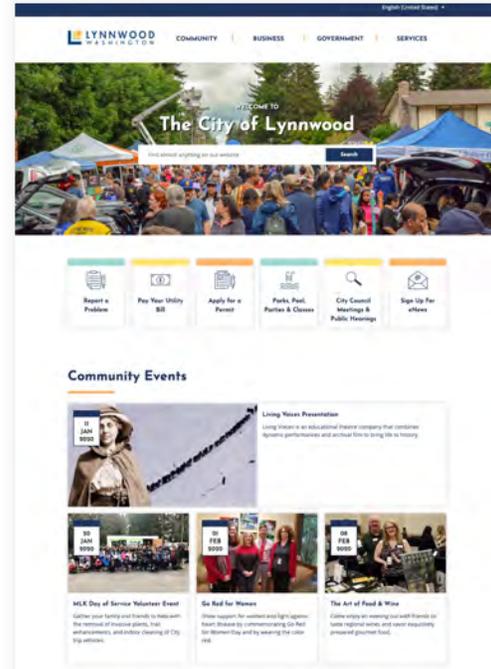
# Lynnwood, Washington

beta.lynnwoodwa.gov

Population: 38,000

Scope: OpenCities Website, OpenForms

Enterprise, Writing for the Web



# References

<b>Customer/client name</b>	City of Grand Rapids, Michigan
<b>Reference name</b>	Becky Jo Glover, Chief Customer Service and Innovation Officer
<b>Phone number</b>	616-456-3118
<b>Mailing address</b>	300 Monroe Avenue NW, Grand Rapids, MI 49503
<b>Email address</b>	bglover@grcity.us
<b>URL where reference's implementation is available for review (if applicable)</b>	Grandrapidsmi.gov
<b>Customer organization size</b>	187,000
<b>Project scope</b>	Alpha project followed by full website redesign
<b>Contract amount</b>	\$311,000

<b>Customer/client name</b>	City of Alameda, California
<b>Reference name</b>	Sarah Henry, Public Information Officer
<b>Phone number</b>	510-747-4714
<b>Mailing address</b>	2263 Santa Clara Avenue Alameda, CA 94501
<b>Email address</b>	shenry@alamedaca.gov
<b>URL where reference's implementation is available for review (if applicable)</b>	alamedaca.gov



<b>Customer organization size</b>	Approx. 88,000 residents
<b>Project scope</b>	Alpha project proceeded by full website
<b>Contract amount</b>	\$72,000

<b>Customer/client name</b>	City of Lakewood, Colorado
<b>Reference name</b>	Kit Lammers, Public Information Officer
<b>Phone number</b>	303-987-7129
<b>Mailing address</b>	480 S. Allison Pkwy Lakewood, CO 80226
<b>Email address</b>	kitlam@lakewood.org
<b>URL where reference's implementation is available for review (if applicable)</b>	Lakewood.org
<b>Customer organization size</b>	150,000
<b>Project scope</b>	Full website redesign, police subsite, weddings subsite redesign
<b>Contract amount</b>	\$159,200

Additional references available including Belton, Missouri and Jackson County, Missouri upon request.

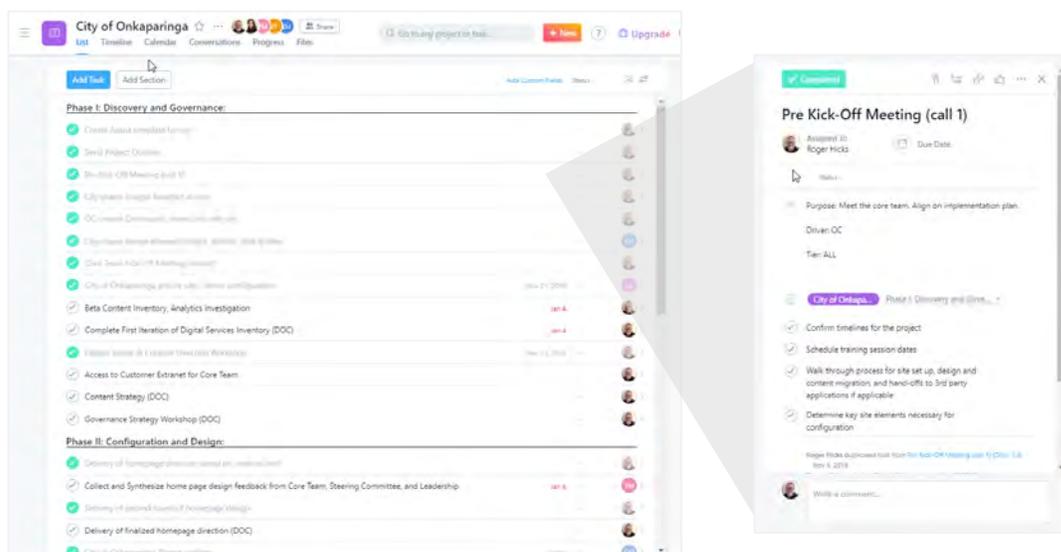


# Proposed Project Timeline

OpenCities has removed the risk and effort of traditional web and intranet redesign projects by developing a repeatable process of engagement, content and digital services delivery. Local Governments often ask:

- How can we be sure we're choosing the right strategy and technology for our needs?
- How can we assure that we won't see change orders that affect our deadlines and budget?
- How do we make sure our new digital presence meets all our goals, and is one we can be proud of?

OpenCities is the answer. We continuously refine our technology and implementation process through our experience partnering with local governments just like yours. In every engagement, OpenCities provides a dedicated Project Manager and utilizes an Agile implementation approach, supported by a simple online project management dashboard that makes it easy for everyone to track project status.



## Project Plan

As a SaaS solution that doesn't need custom development, OpenCities can be delivered, ready for content setup within a matter of weeks. The primary variable for launch is based on the amount of time needed by the city or county for the visual design process, and the amount of staff resources available for the content entry and any migration process.

Based on the City of Urbana's expressed desire to re-write the majority of its content, the sample timeline below demonstrates a six-month project timeline. However, our agile, iterative process can be modified to be longer or shorter based on the city's needs.

SAMPLE TIMELINE	Feb	Mar	Apr	May	Jun	Jul	Aug
Project Kickoff	█	█					
Creative Briefing and Site Design		█					
Content discovery and governance			█				
Design Implementation			█	█	█		
Digital Service Academy			█	█			
Training			█	█			
Content Creation			█	█	█	█	█
Beta Launch & Testing						█	█
Full Site Launch and Evolve							█



## Phase 1: Website project kick-off

### **Project kick off**

Meet the team, including your OpenCities Project Manager, Client Website Team and key Client stakeholders. Confirm timelines for the project, schedule training sessions, walk-through your process for site set up, design, content migration, and discuss hand-offs to 3rd party applications if applicable. Determination is made as to key site elements necessary for configuration.

### **Creative briefing**

We work with your project team to secure all the required visual assets, such as logos, photography and any existing visual style guides. OpenCities will facilitate an ideation session with primary stakeholders to help inform statements that capture an intention for the look and feel for the new website and prepare style tiles and a creative brief summarizing these objectives and intentions.

### **[Optional] Information Architecture package**

Information Architecture (IA) can seem daunting. Let the OpenCities team apply a best-practices approach to the IA for your new site by 1) mapping your current site, 2) producing a first and second level navigation structure for your new site, and 3) creating an actionable migration strategy for your content. Save time, money, and frustration.

## Phase 2: Design and configuration

By delivering your new website without the need for additional coding, we free your team from low value, high effort tasks such as wireframing, functional specifications and testing. This allows them to focus their time on producing better content and digital service experiences.

### **Platform configuration**

We configure OpenCities with all the modules and functionality established during project



kick-off. This includes all activities (site settings, map localization, configuration of fields and tags, initial users and roles, etc) needed to bring the platform to a content entry ready level.

### **Design implementation**

We apply the visual assets gathered during project kick-off to your new website using one of the best-practice OpenCities layouts. Working in an agile manner, we bypass any presentation of ‘flat’ visual design screens and creative concepts, in favor of directly applying your visual assets into a fully functional website.

### **[Optional] Visual design package**

Rather than directly applying your visual identity to one of our best-practice layouts, this curated design package involves both the city staff and the community in an interactive onsite design workshop. This informs two homepage design directions, and through two rounds of creative revision, we produce a visual outcome that uniquely reflects your city.

## **Phase 3: Empower and handover**

Even the best technology requires training to use it effectively. During this stage, we teach your teams to fully leverage all the functionality in OpenCities to create an effective and beautiful website. If desired, we also offer a Digital Services Academy, providing business process improvements and digital services transformation, which will help to focus your website on online services and transactions. Once training has been delivered, we handover the site to you, ready for content entry by your team, or via optional content migration services, by ours.

### **Foundation training**

Focused on content publishers, the first session teaches staff how to manage content, communication and place-based information in OpenCities. This includes learning various modules including news and events, minutes and agendas, parks & facilities, job notifications, general and landing pages, directories, media and file libraries. Focused on



website managers, the second session teaches staff how to setup and manage users, roles, workflows, permissions and website settings. We also cover troubleshooting your site and accessing our online Help Center. Content publisher training is a pre-requisite for website manager training.

### **[Recommended] Digital Services Academy**

Learn tools and best practices for creating effective digital content, train your staff, and test with members of your community. The OpenCities Digital Services Academy lays the foundation for better government websites and happier teams. This service includes a three-day onsite training session over the course of one week, including journey-mapping of a current process for selected services, creating new OpenForms, content services templates for each redesigned service and civic user testing with staff and optionally, community members.

### **[Optional] Structured Content Migration Package**

Do you already have excellent, current content for your parks, news, events, jobs or other specific types of content? Ideal for small, busy teams that want OpenCities to assist in migrating some current content and speeding up the process, this service includes bulk importation of all structured content (Parks, events, news, meetings/agendas, projects, initiatives, elected officials), resulting in these pages being site ready. (Note that this requires export capability from your current site or CMS.)

### **[Optional] Forms Redesign Package**

Even with a great technology platform, it takes work on someone's part to convert your static PDFs into effective digital forms. Let OpenCities recreate your 5 most frequently used forms as OpenForms. Then use our forms as a template, creating a repeatable process for converting the rest. Or, pay for an additional forms package to have us convert them all! Please note, each form can be up to 3 pages each, and this service does not include custom integrations with backend systems.



## Phase 4: Launch

### **Beta release (Optional soft launch)**

Beta offers an opportunity to soft launch your site to the public, before completing all content migration. By giving your community early access to key content and services, you can gather valuable user feedback and continue to iterate the site prior to the full launch. Typically residing at [beta.yourgov.gov](https://beta.yourgov.gov), the beta site ultimately launches as your government's new website once it reaches the point of content completion.

### **Full launch**

The OpenCities team will coordinate the full launch of the site with the Client Team to assure a smooth transition from the old to the new site, including DNS transfer. Quite unlike traditional web projects where innovation & development stops on project delivery, OpenCities continues to partner with your municipality to incorporate useful new features and enhancements on a continuous basis, all included as part of your SaaS subscription.

### **Handover to Customer Success**

Meet the OpenCities Customer Success team and see how they will be working with you across telephone and our online Help Center to ensure you achieve your goals with our technology. Our Help Center provides a central place for all your questions and requests, product support tickets and issue management. It's also the place you'll go for all documentation, upgrade release notes, user forums and idea boards.

## Phase 5: Evolve

The launch of your new website is only the beginning of our partnership. With regular new feature releases, free online masterclasses and training opportunities, and the ability to suggest and vote for new functionality, our team assures your ongoing success with OpenCities.



### **Evolve your front-end experience**

Local governments are challenged to deliver a consistently modern and easy to use digital experience for their residents. Regular updates to our design system ensure your customer experience is continually evolving to deliver a cutting-edge experience, without the need to wait 3 – 5 years for a custom redevelopment.

### **Leverage new functions**

Using the Product Ideas forum in our Help Center, you can share your ideas for improving existing features and suggesting entirely new ones with us and hundreds of your local government peers worldwide. The best ideas will be built for everyone to use as part of our quarterly version upgrades, ready to test and activate in your website within minutes.

### **Learn new skills**

OpenCities hosts regular online ‘drop-in’ refresher training sessions and master classes – making it easy for your web team to train new staff or plug any product knowledge gaps, and learn new skills ranging from writing better web content and creating more effective online forms, to driving greater levels of community engagement and much more.

### **Meet your peers**

Catch up with your peers, build new connections with like-minded people, discover current challenges, opportunities and trends shaping digital local government. See how other local governments are using OpenCities and have your say about the future of our technology. OpenCities Annual User Groups helps you chart and deliver your digital roadmap.



# Proposed Project Budget

Your OpenCities project consists one-time setup fees and annual subscription fees:

<b>Project Management</b> - Site Design and Configuration, Project Management, All Training (excluding Digital Services Academy), Best Practice Consultation	One Time	\$13,500
<b>Website Design</b> - Development of user scenarios, style guide/digital design tool kit, user testing, including one additional design iteration for Merriam.org.	One Time	\$3,500
<b>CMS</b> (Software as a Service fee for main website)	Annual	\$8,950
<b>Data Migration</b> - Price varies based on structured content or full content migration	One Time	\$1,000 apx
<b>Hosting</b> on Microsoft Azure Government Cloud Included in CMS SaaS fee	Annual	Included
<b>Testing</b> - Included in CMS SaaS fee	One Time	Included
<b>Training</b> - Included in CMS SaaS fee	One Time	Included
<b>Maintenance</b> - Included in CMS SaaS fee	Annual	Included
<b>Other</b>		
<b>OpenForms Business</b> – 3 users	Annual	Included
<b>Upgrade to OpenForms Enterprise</b> Includes additional users, Workflow, Workspaces and Forms Versioning. <b>Recommended to meet city’s Report Issues requirement.</b>	Annual	\$4,500
<b>Digital Service Academy</b> (max. 20 people)	One Time	\$9,000
<b>Page Audit and Navigation Recommendation</b>	One Time	Included
<b>Subsite SaaS</b>	Annual	\$1,450
<b>Subsite Design</b>	One Time	\$2,500



## Total Project Fees

<b>Year 1</b>	One-Time Fees	\$29,500
	<u>+ Annual Fee</u>	<u>+ \$14,900</u>
	<b>Total fees</b>	<b>\$44,400</b>
<b>Year 2</b>	<b>Annual Fee</b>	\$14,900
<b>Year 3</b>	<b>Annual Fee</b>	\$14,900



# Education and Training

At OpenCities, our best-practice driven approach is focused on creating success for you as a partner. One of the key things that we know creates success is having the right team and people from the town engaged. A typical project for OpenCities starts by creating curated teams of town staff to guide the overall goals and impacts of the project. Those primarily consist of the following:

**Core Team** -- This team of three to five key personnel from the town make all strategic decisions about the project and will be trained as Site Administrators. As Site Administrators, these select members will spend the most time in the system and have the ability to do any and everything within the OpenCities platform (adding users, creating workflows, making design changes, etc.). A successful Core team should represent a variety of departments, and be able to commit 10+ hours per week on the project.

**Steering Committee** – This group of five to 10 additional people may not be directly involved in building the website but work as a team to make broader decisions and provide feedback and opinions to the Core Team. Often they're department heads, champions of the web team, or subject matter experts. In most cases, we recommend one person per department.

**Stakeholders** – This group is comprised of executive team members and are not typically not involved in every decision-making step of the process but will ultimately need to sign off before launch. This team will get high-level strategic updates at an interval determined during kickoff.

**Content Publishers** -- This group of 20+ people in some cases are all users who have the ability to create, edit and manage content (either for their department, or for specific content types – i.e. events, agenda/minutes, etc.). This group is trained by OpenCities on how to use the platform to create and publish content and should typically be able to dedicate 4-8 hours per week to the project.



- **Content Publisher Training.** This session focuses on how to use OpenCities to publish information, places and communications. It includes learning various modules including news and events, minutes and agendas, parks and facilities, job notifications, general and landing pages, directories, media and file libraries.
- **Site Administrator Training.** Typically delivered to the website managers, this session focuses on creating and managing users, as well as user roles, workflows, permissions and website settings. We also cover troubleshooting your site and accessing the OpenCities Help Center.
- **Digital Services Academy.** Based on your goals and state of beliefs that this project is an opportunity for digital transformation, we strongly advocate that the City of Merriam holding at least one Digital Services Academy.
- **Designer Training.** Typically delivered to designers, this session focuses on creating new themes and websites using the OpenCities platform. This includes setting up entirely new subsites using the site builder (if purchased), and updating visual themes and layouts using the theme builder.
- **Developer Training.** Delivered to web developers, this session focuses on extending OpenCities' capabilities by building your own templates and lists, web services, and integrations. It also explains important support implications for customizations and is a must for any developers seeking to build or integrate new functionality with OpenCities.
- **OpenCities Help Center.** All staff publishing to your website will receive access to the OpenCities Help Center, which offers detailed learning materials and documentation for every OpenCities module, available 24/7. Each article contains annotated images with step-by-step instructions showing how use the functions in OpenCities and many articles also offer strategic advice to help you make the most of the functionality. Select city staff will have the ability to lodge tickets should they require assistance, as well as to submit ideas to the community forum for product development consideration.



# Design and CMS Features

Feature	Importance	Response
Residents must be able to report issues (potholes, graffiti, noise complaints, etc.) easily and efficiently through the site, preferably without having to create an account. The backend should be easy for staff to manage workflow for responding to issues.	Required	Using OpenForms, your staff can create powerful forms that can include smart logic, file upload, and more to allow residents to report issues or complaints. <b>The Workflows tool (available with OpenForms Enterprise subscription)</b> enables your staff to manage the request from start to finish, enabling multi-person approvals, and close the loop with your residents.
The search must deliver results of the most likely content a user would be looking for.	Required	The OpenCities predictive search experience transforms the way people navigate a government website by suggesting content as a user types their query, featuring a government thesaurus that connects plain English search queries (i.e. garbage dump) with the language of local government (i.e. waste transfer station). Additionally, the usage of best bets allows your staff to manually prioritize content for a search result. By connecting people to the information they need (even without knowing what it's called) OpenCities helps your site visitors spend less time looking and more time finding.

<p>Mobile friendly – with no extra work on the backend.</p>	<p>Required</p>	<p>Built to be mobile first, OpenCities doesn't just scale the website down to mobile, it fully leverages device capabilities such as swipe gestures, GPS location, and camera to reward mobile users with a more 'app like' experience. As a SaaS platform, OpenCities continually updates your website for new devices and form factors, at no additional cost to the city.</p>
<p>The system should be easy for City staff to add/edit/delete content when necessary.</p>	<p>Required</p>	<p>The OpenCities system uses a combination of structured content types, templates, and easy-to-use WYSIWYG editors to make it intuitive for even the least tech-savvy employees to maintain their content. Additionally, each staff member has 24/7 access to the online help center should they need a refresher after training.</p>
<p>Information architecture/site map and navigation: our goal is to design the site so people (residents, staff, visitors, others) can find what they want. Staff is open to suggestions and best practices. Ideally, the CMS includes tools or programming that make connecting related content easy – calendar/events/news/page.</p>	<p>Required</p>	<p>Using content lists and labels, your website can be easily configured to display customized groups of content, such as all pet friendly parks, or all information related to a specific ward. This helps residents feel like they have a customized experience without having to create a username and login.</p> <p>To address your needs for information architecture and navigation, we recommend the <b>Page Audit and Site Navigation Recommendation</b> package, listed in the optional items of the budget proposal.</p>

<p>Third party platforms must be seamlessly integrated so users don't feel like they're starting over on a different site. Staff is open to suggestions for streamlining these services. Current third party platforms include RecTrack, Citizen Serve, Validity, Lucity, YouTube, and Google Maps.</p>	<p>Required</p>	<p>Depending on the third-party platform, OpenCities can offer an API-based integration, an iFrame, or an external link to get residents to the information they need. Our comprehensive library of API's allows integrations with internal systems via web services which can be used to pull content from OpenCities into your internal systems, or publish content from your internal systems onto your website. The iFrame template, specifically designed to offer the widest real estate for the embedding and presentation of third-party applications. Please note, external apps embedded via iFrame are not natively responsive.</p>
<p>Analytics visible on the backend, both for main site and subsites.</p>	<p>Required</p>	<p>OpenCities offers a variety of data insights, ranging from website usage statistics via Google Analytics (including the ability to leverage Google Tag Manager), through to internal publisher and content reports using in-built dashboards and reports. These can be configured easily without any programming skills.</p>
<p>Ability to customize subsites with different look and structure (exploremerriam.com). Possible future subsites: major city-sponsored events and police recruitment. Ideally, content could be shared across sites but maintain the visual appearance of the subsite (ex: event information).</p>	<p>Required</p>	<p>Create and manage subsites for your departments without custom web development. Using the site wizard, you can select what functions your new site needs, create a visual design that addresses the creative and layout needs of the department, setup publishers and permissions, and start entering content within a matter of days. Content can be shared across subsites, as well as restricted for use only on desired subsites.</p>

<p>Additionally, the ability to restrict information from showing up on the subsite (e.g. no city council agendas on the Visitors Bureau site).</p>		
<p>Government basics: agendas, minutes, news, calendar, events, bids, documents, etc.</p>	<p>Required</p>	<p>Publish meetings, agendas, media recordings and attachments into a searchable directory that allows residents to search within documents, filter by meeting types and dates. Meetings details and documents are categorized in an intuitive listing, and can also be presented in a calendar view.</p> <p>OpenCities provides a structured process for publishing news and media releases, and controlling where they are presented including the news directory, your homepage, department sections, as well as syndicating out to other websites or social media channels.</p> <p>Create beautiful calendar views from any of your time-bound content such as events, works, projects, initiatives, as well as content sub-filters (for example, the ability to filter an events-based calendar by sub-topics such as sports, children's events, cultural events, etc).</p> <p>Solicit vendors using our bids and tenders module, where you can upload active requests for proposal/qualification/information, change the status as the bid progresses, and announce the awarded vendor once the bid process is complete.</p>

		Zip and bulk import, categorize and manage thousands of digital assets in one convenient location. You can store documents, images and videos, each with full lifecycle management, version history, usage reports and more. Granular permissions can be applied to control which files are available for specific sites.
Forms – easy for users to fill out, easy for staff to create and manage, and ability to submit documents/photos.	Required	OpenForms, a proprietary forms tool powered by OpenCities, allows staff to easily and quickly create beautiful, accessible and mobile-responsive forms that utilize smart logic, document upload, API integrations, signatures and payments so that residents can complete transactions fully online.
Scheduled Publishing	Required	Publishers can set a future date and time for publishing their content, whether it be a single page or a collection of pages. Content still needs to be approved via workflow, but will be embargoed until the schedule publish date and time.
Emergency alerts / banners / pop ups (communication tools other than posting a news story.)	Required	Using the announcements banner, you can broadcast emergency announcements that appear prominently across the top of the entire website, or within selected sections of the site. With the added ability to define color coded severity levels, these announcements can be dismissible, or locked and anchored in case of severe emergencies. Combined with distribution platforms such as Twilio, emergency announcements can also be broadcast via SMS to your subscribers.

Ability to run the entire site on https protocol (SSL)	Required	The entire OpenCities platform offers SSL for all network transport data protection, enabling you to make your entire website experience SSL secure, not only pages with forms or transactions. Please note, the provision of SSL certificates for customer domain names are the responsibility of the customer.
Features that enable and ensure ADA compliance.	Required	Every function in OpenCities is independently tested and validated to comply with the highest level of WCAG 2.1 AA / Section 508 ADA accessibility standards. As a SaaS solution, your City also benefits from continuous testing against new accessibility standards as they are released, to ensure your City always remains up to date, at no additional cost.
CMS is easy to learn and use with electronic workflow for users.	Required	Setup any number of workflow paths and steps based on the type of content being published (i.e. news vs. jobs vs. emergency announcements), where its being published (i.e. websites, social media) and more. OpenCities keeps approvers notified via email to ensure progress. What's more, approvers don't need to log into the system to view, comment on or approve content, allowing more people to get involved in workflow.
Video storage and integration.	Required	Just as easy as inserting an image, publishers can embed media directly into a page, either by uploading into OpenCities, or by

		<p>pasting embed code if the media is hosted on an external site like Youtube or Vimeo.</p>
Flexibility in page layout and navigation.	Required	<p>Each level of navigation, including main home page items, can be easily modified by city staff without the need to contact OpenCities. Each content type (for example parks, news, events, etc.) includes multiple template options which allows the content creator to specify their desired visual outcome of the page. Should a deeper level of customization be required, a developer or technically proficient city staff member can create their own content types and templates within the system.</p>
URL customization for pages. We have many redirects that residents are accustomed to (e.g. merriam.org/jobs, merriam.org/snow, etc.).	Required	<p>By default, OpenCities renders human readable URL's, based on the location of the page in the site structured. For example, a 'XMAS Festival' page that lives within the events directory would appear as www.cityname.com/events/XMAS_Festival. It's also possible to create shortened URL maps.</p>
Features that increase subscribers/followers on our other communication channels that help residents stay updated and get to the right spot on the website for more details.	Desired	<p>OpenCities can push content published in our system to your social media platforms via IFTTT, or pull content from your Facebook &amp; Twitter and publish it in-line with your website content. You have full control of settings including channels you pull from, how many items, how they are visually laid out, and visual styling to match your website.</p>

<p>Engagement/Feedback - integrated method for conduct surveys, polls, or request other feedback easily through the site.</p>	<p>Desired</p>	<p>Activate page feedback widgets by individual pages or across content types (i.e. news, services pages, events, etc), to collect feedback from site users and notify content owners via email, as well as setting up an action item in their OpenCities tasks dashboard. Or, go deeper and assemble community engagement and consultation pages using content blocks, timelines, discussion spaces, moderated commenting and more, to better engage your community on city projects and initiatives. Once setup, drive participation by promoting consultations in the search, maps and other strategic areas of your website.</p>
<p>Tabs, accordions, and carousels for content organization and simplification.</p>	<p>Desired</p>	<p>Convert long blocks of content into tabs or collapsible accordions that open or close at the click of a button. This makes browsing long pages of content easier for website visitors, while also making it simpler for publishers to maintain complex pages of information. Image carousels are also available to embed a rotating banner at the top of any page to highlight featured content for residents.</p>
<p>Subscriber notifications for when news stories, bids, jobs, and agendas are posted</p>	<p>Desired</p>	<p>Make it easy for residents to stay up to date with what's important to them, without the need for city staff to manually assemble eNewsletters. Using page subscriptions, site visitors can subscribe to the specific content that interests them (i.e. children friendly events,</p>

		environment related news, etc) and get automatically curated email updates.
Photos don't have to be cropped to specific sizes before uploading for specific uses. A photo library that's flexible to use the same photo in different places and it will adjust to the proper size for that page and device.	Desired	<p>OpenCities features in-built image cropping, resizing, and basic touch ups. By default, OpenCities auto-optimizes image for different devices and destinations, and incorporates a smart-crop, the ability to crop images to a consistent size, whilst also cropping to focus on the area of interest in the image.</p> <p>Using the OpenCities File Library, publishers can bulk upload, management and touch up images in a central library that can be assigned to a specific site or used across multiple sites. Images are lifecycle and version managed, making it easy to manage large image libraries.</p>
Ability to share a preview of the page with non-CMS users before publishing the page.	Desired	OpenCities makes it easy for people across your organization to collaborate on content together before its ready for publishing. Using the 'review' functionality, publishers can invite others (even if they don't have an OpenCities login) to review and provide feedback on their content, reducing the need for back and forth emails with attachments.
Automated SEO.	Desired	One of the benefits of OpenCities is that its already optimized for search engines. This means that as long as you write add site

		metadata and write meaningful content, your site should be visible in search engine results.
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# Appendix A: Website

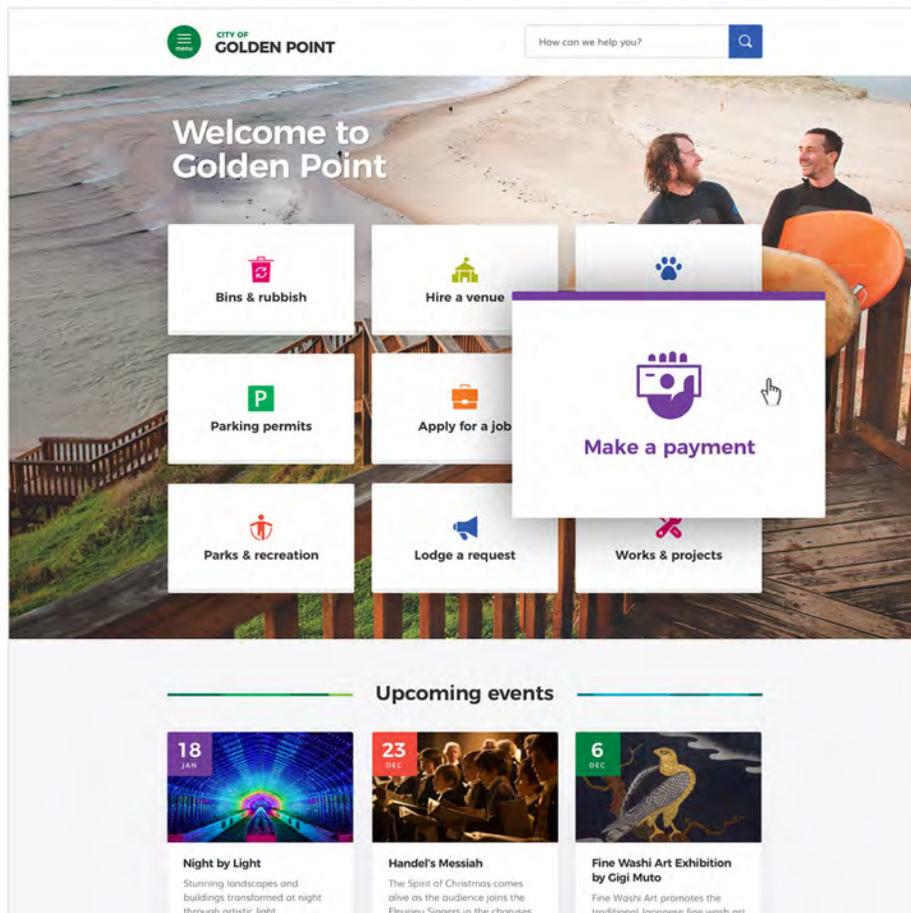
Launch modern, easy to use websites that always evolve to put the needs of your community at the center

## Put your customers at the center

**People don't browse government websites like they would a news site or online store. They come to get things done.**

By prioritizing your most popular requests and tasks on your homepage, residents can quickly find the services they need most, reducing time spent searching or navigating through extra pages.

OpenCities automatically organizes tasks based on popularity at times of year or by context – for example, prioritizing tax payments at specific times of year, or prioritizing location-based tasks such as reporting potholes or graffiti for people that visit the site from their mobile phone. By using data to inform homepage priorities, OpenCities better connects people to what's important.

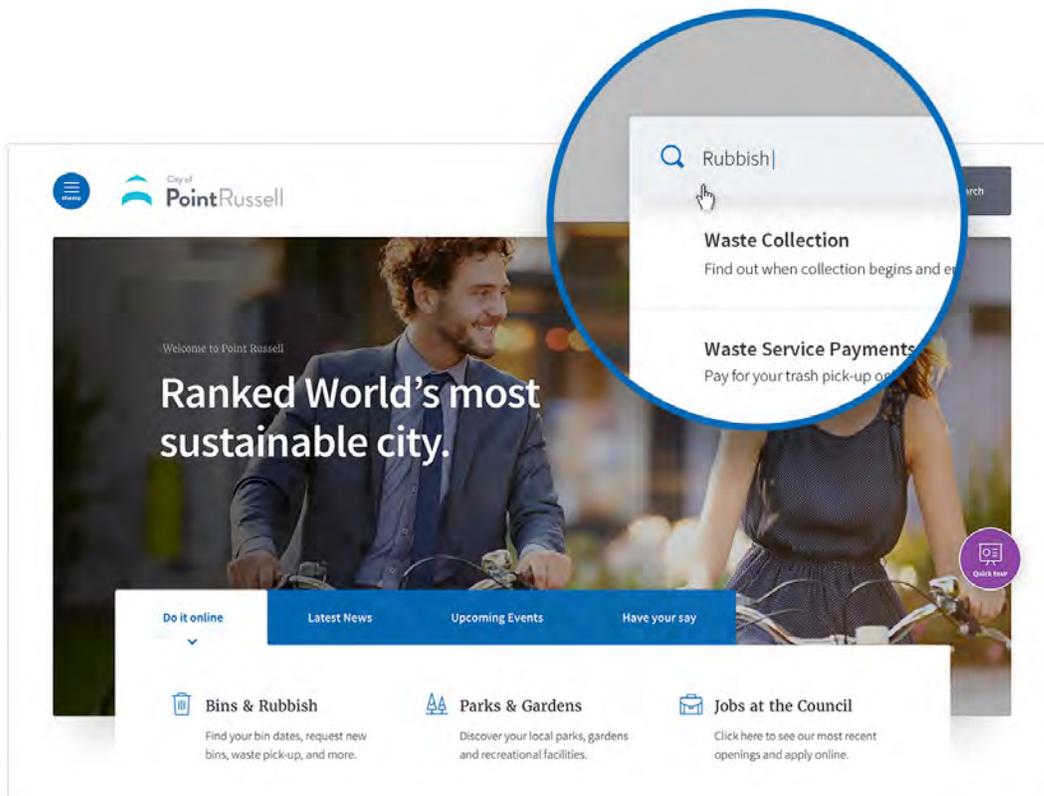


## Predictive search

The OpenCities search experience connects people to the information and service pages they need, without requiring them to know the language of government or its departments.

Without even leaving the homepage, the predictive search displays the best matching content as the user types in their query, even when the words they type don't match the name of the page or service (for example, a resident might type 'trash pickup' but the page is titled 'waste collection' or they may misspell 'garbage').

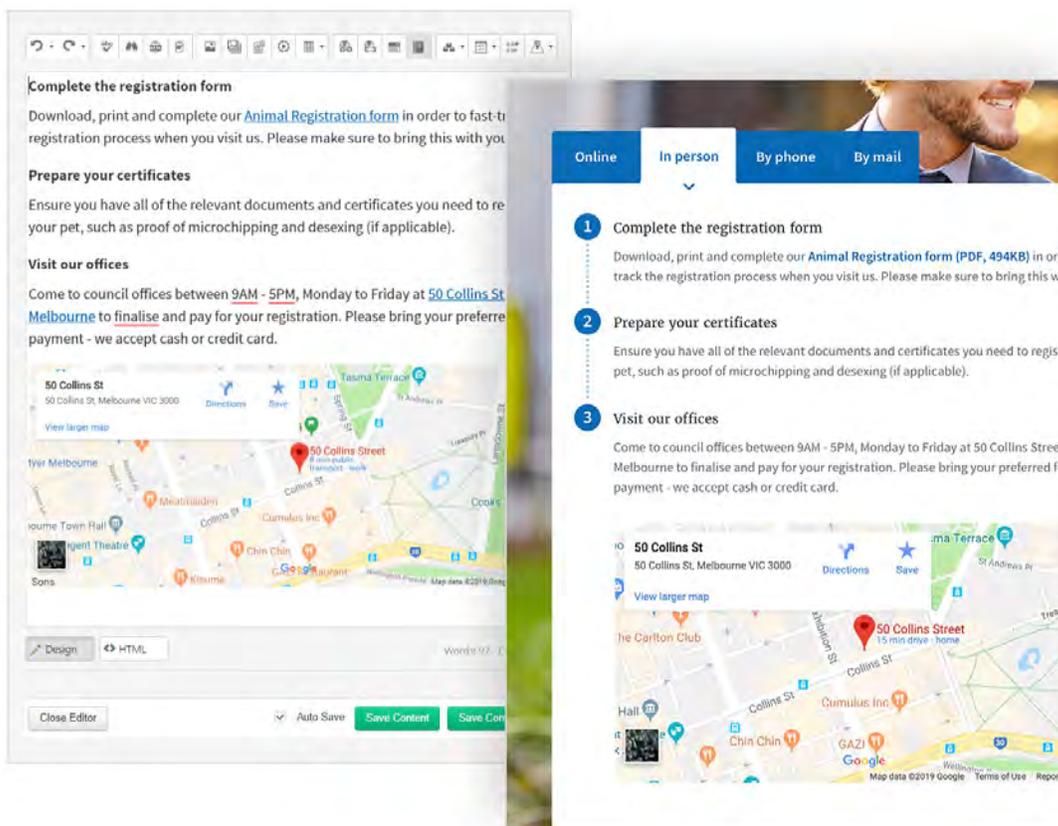
The OpenCities predictive search will still connect people to the right service, and index content across all your web pages and inside PDF files.



## Simpler, more actionable content

Most people read at a 7<sup>th</sup> grade level, whereas most government websites are written at a higher academic level. OpenCities helps you provide a better content experience so that more people find what they are after, understand what they've found, and act on that understanding.

How? By automatically reformatting long pages of content into smaller, more navigable sections, introducing glossaries for terms people typically struggle to understand and gathering continuous page feedback from your community that inform page publishers and subject matter experts of opportunities to make their content more useful.

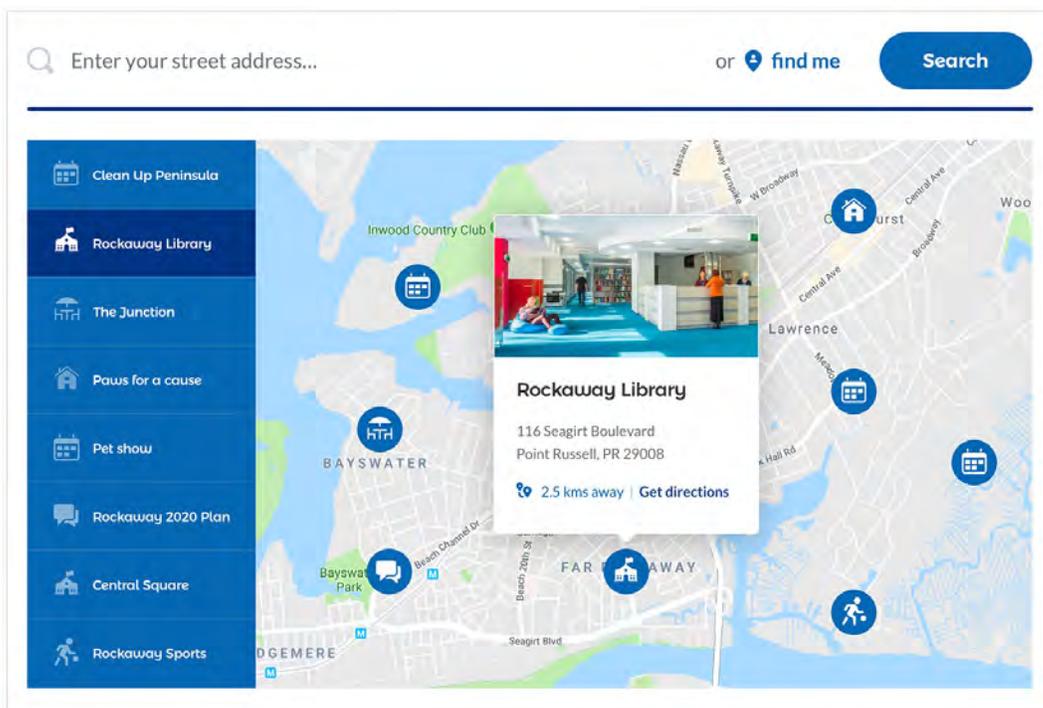


## Location content

Make your local government website experience, more local. Transform any location-based content into a beautiful map view that puts residents at the center.

Simply by entering their address or by clicking on the ‘find me’ button from their computer or mobile device, residents can see their local events, parks, city facilities, works, projects, city initiatives, councilors, trash collection dates, and many other types of content, based on their interests.

Create any number of maps across your sites based on one or many different types of content and sub-filters, and change the way that residents discover their local community.

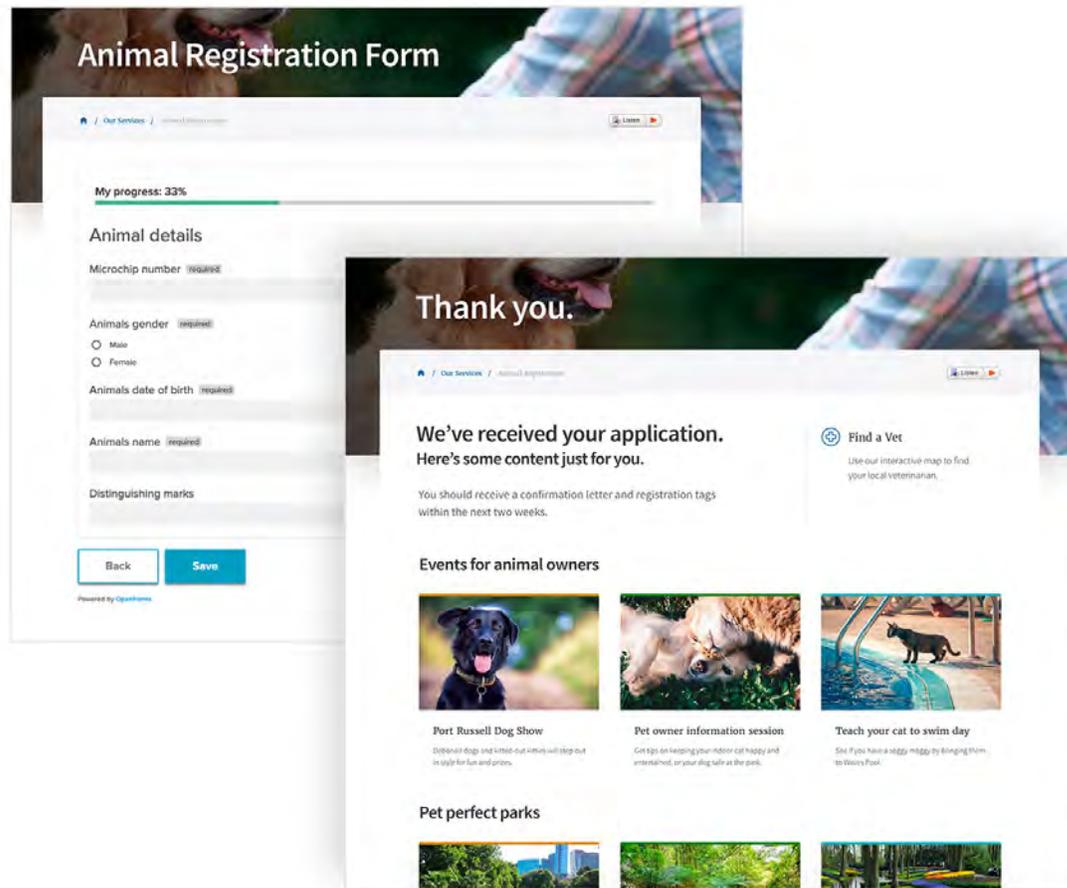


# Personalized content

What if your website could curate the specific news, events, projects and services a visitor might be interested in, without wasting their time with other content?

OpenCities lets you do exactly that, by labelling content with a target audience, topic theme or any other tags and then automatically displaying that content to the right visitors at the right time.

For example, after a resident completes a pet registration form, the page would automatically promote upcoming pet friendly events, nearby off-leash dog parks, pet owner focused news and city initiatives, and more.



# Publish once, present everywhere

As residents access your city through an increasingly dizzying array of channels and platforms, how do you ensure a consistent message?

OpenCities reduces the effort and complexity of multi-channel communication by allowing you to create content just once and easily share it across multiple platforms via content APIs. Imagine posting an event that gets automatically added to the city calendar, plotted as a pin on a map, shared on Facebook or Twitter and even sent as an email notification. The possibilities are endless.

**Publish an event**

Overview Engagement

Event title (Required) 70 Characters left  
Billy & The Firefly Princess

Add event summary (Required) 400 Characters left  
Come experience an amazing light show and unforgettable story.

Add event dates (Required)  
24 June 2019

Add event image

Event location  
Event venue: Central Square  
Street address: 116 Blue Lake Street, Point Russell, PR 29008

**UPCOMING EVENTS**

- BILLY & THE FIREFLY PRINCESS
- BOB DIETRICH TWILIGHT FIRE SHOW
- SAM FERGUSSON LIVE @ THE DOCKS

Point Russell (@pointussell) · Apr 9  
  
Billy & The Firefly Princess — Light the Night  
Come experience an amazing light show and unforgettable story. One of the top attractions on show at the 2019 Light the Night Festival.  
pointussell.com

**BILLY & THE FIREFLY PRINCESS**  
116 Blue Lake Street  
Point Russell, PR 29008  
Get directions

MY INBOX 5

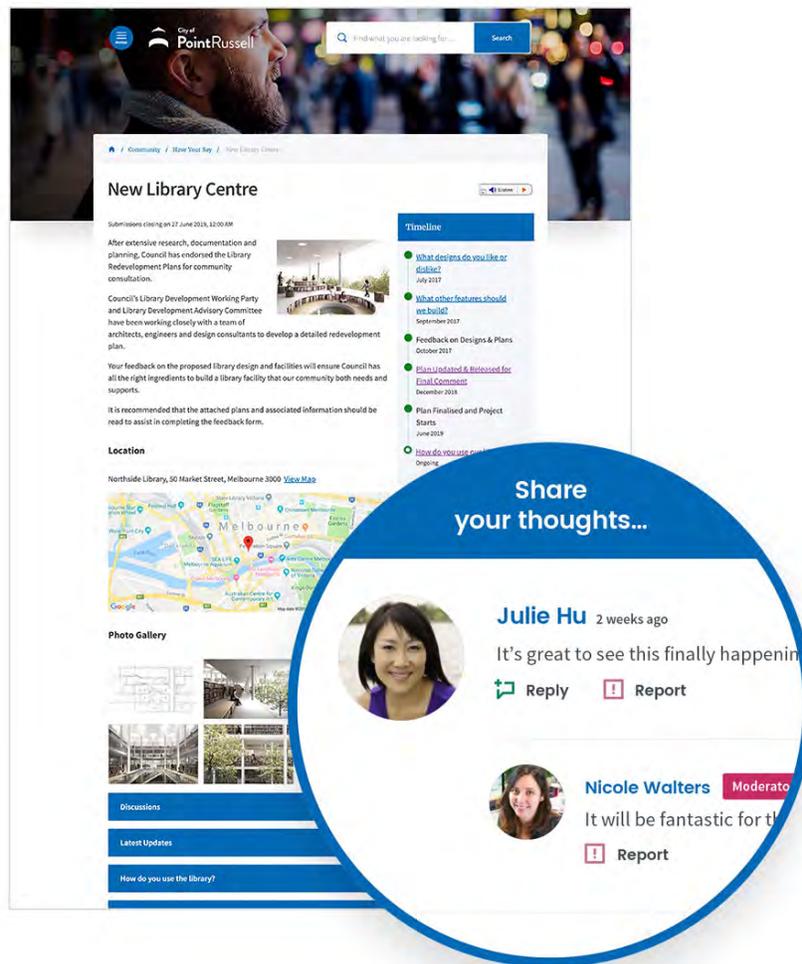
City of Point Russell 2:49 PM  
Upcoming events: Billy & the firefly princess 24/06



## Online engagement (premium module)

Build trust by making it easy for residents to have their say on the things that matter to them. OpenCities helps you drive public participation via online engagement spaces, discussion boards, initiative directories, surveys and more. A range of engagement options means you can scale your community consultation up or down depending on project and outcome.

Consultations and discussion spaces can be quickly setup to enable richer conversations with stakeholders and automatically shown to site visitors based on their interests or location to drive engagement. Increase trust by driving public participation and community co-creation for projects and decisions.



# Local directory (premium module)

Support your local businesses and community organizations by helping them get discovered.

The OpenCities Local Directory empowers local businesses and organizations to easily setup and manage their own listings and events within the website, controlled by a workflow notification that ensures content is approved by the city or county before appearing live.

A central dashboard shows each user all their listings across the local directory, business directory and local events, as well as the status of a listing awaiting publishing approval. Users can easily update or deactivate their listing from this screen as well, eliminating the need for city or county staff to make updates on the community's behalf.

The screenshot displays the OpenCities Local Directory dashboard. On the left, there are three sections: 'Business pages', 'Directory pages', and 'Events'. Each section has a table of listings with columns for 'Title', 'Status', and 'Manage'. The 'Business pages' table lists 'Grace's world', 'Boutique Manbyrning', and 'Frank's Cat Cafe'. The 'Directory pages' table lists 'Boutique Revival'. The 'Events' table lists 'Hot Rod Muster'. Below these tables are buttons to 'Add business page' and 'Add directory page'. The main content area is titled 'Community Directory' and shows '3 Result(s) Found'. The first result is for 'Point Russell Golf Club', which includes a location pin, address, description, and a photo. The second result is for 'Point Russell Tennis Club', which includes a location pin, address, description, and a photo. The third result is for 'Toast Masters', which includes a location pin, address, description, and a photo. A map of the area is also visible, showing the location of the golf club and tennis club. The 'Photo Gallery' section at the bottom right shows two photos of the golf course.



## Do more with 40+ Website modules including...



### Initiatives

Help residents stay in the know with city or county plans and initiatives



### Public Notices

Keep your community notified via the public notices module



### Parks Directory

Find and learn more about local parks and recreation spaces



### Facilities for Hire

Make it easy for people to find and book facilities, halls and venues



### Departments

Showcase city or county departments and their services, projects, initiatives, events, news and more



### Elected Officers

Connect residents with their elected officials and the initiatives and projects they are working on



### Forms and Policies

Make it easy for people to find forms, policies and procedures, all in one convenient directory



### Meetings

Make it easy to browse or search for specific city meetings, agendas and minutes





### Works and Projects

Promote public works, roadworks and projects in a directory or on a map



### Local Directory

Empower local groups to create and manage their own listings or events in the city or county website



### Development Applications

Keep residents notified of development applications in their area



### Announcement Broadcasts

Broadcast important announcement anchored to the top of your site



### Events

Promote events in an interactive listing people can browse by date, event type, tags and more



### Calendars

Create monthly calendar views for any time-based content on your site



### News Directory

Display latest news and media releases and link with Facebook or Twitter



### Job Opportunities

List open job opportunities and use online forms to create a simple application process



# Accessibility

**Unless your site works for everyone, it simply doesn't work.** We're not designing websites to just win beauty contests, we're designing sites to help you serve better. And not only serve the people who are already comfortable using the web, but everyone. Everything we build should be as inclusive, legible and readable as possible. The people who most need our services are often the people who find the internet hardest to use. Let's think about those people from the start.



## Certified accessibility

OpenCities is the only local gov website platform service portal to validate our entire solution against the highest level of ADA compliance - WCAG 2.1 AA. Rather than solely depending on automated accessibility testing, every function in OpenCities is tested by real humans, to ensure our platform meets the highest WCAG 2.1 AA accessibility standards



## Works on every device

Built to be mobile first, OpenCities doesn't just scale the website down to mobile, it fully leverages device capabilities such as swipe gestures, GPS location, and camera to reward mobile users with a more 'app like' experience. And as part of our quarterly upgrades, your website will automatically adapt to ensure a modern and up to date experience on new devices and web browsers



## Multilingual experiences

OpenCities empowers a truly universal content experience while reducing content management effort, by allowing you to professionally translate critical instructional content, and using our auto-translate for everything else. What's more, translation applies not just to the content within a page, but to the entire website experience – from buttons and forms, to the search experience, ensuring your visitors can successfully navigate the entire website in their preferred language



## Plain English

According to the National Center for Education Statistics, 44%, a large portion of the adult population, has basic or below basic literacy skills – with the average reading comprehension level at just 7<sup>th</sup> grade. Avoiding technical jargon and other complex words makes your text as easy to understand as possible. Your readability score can tell you how many people will be able to comprehend your content.



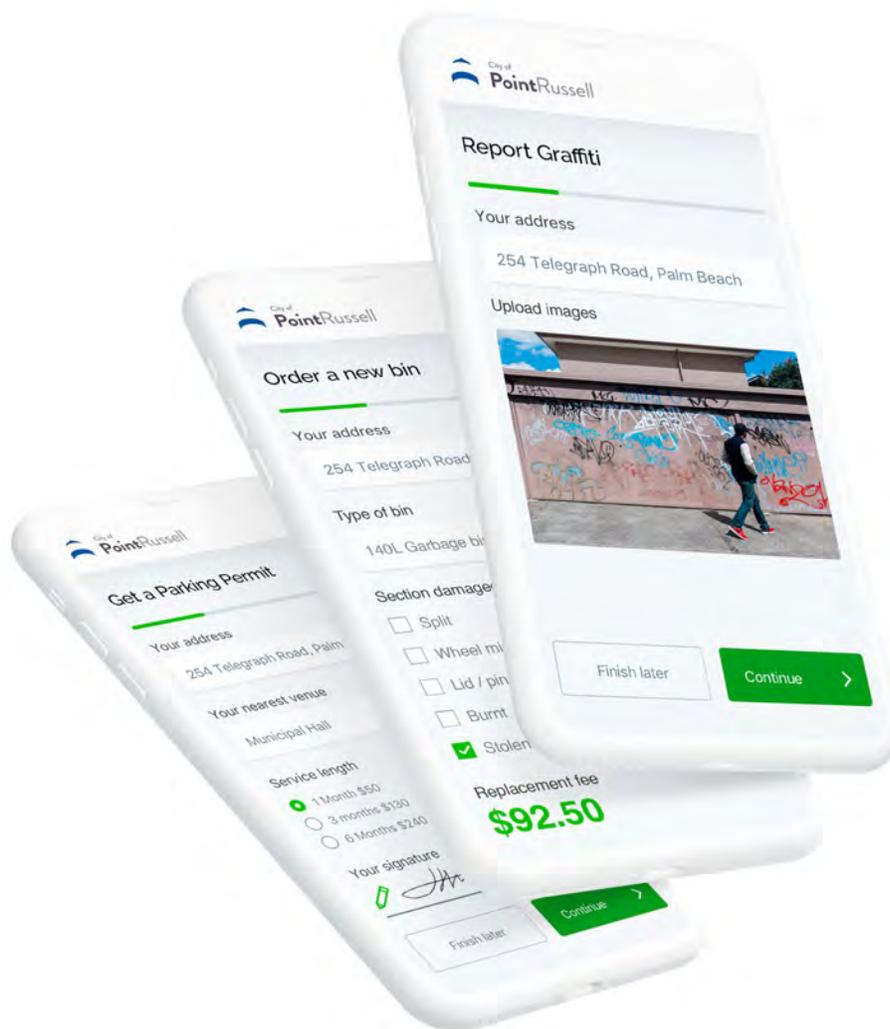
# Appendix B: Forms

Transform your static PDF's and offline forms into frictionless digital services anyone can use, without custom development

## Digitize almost any form or process

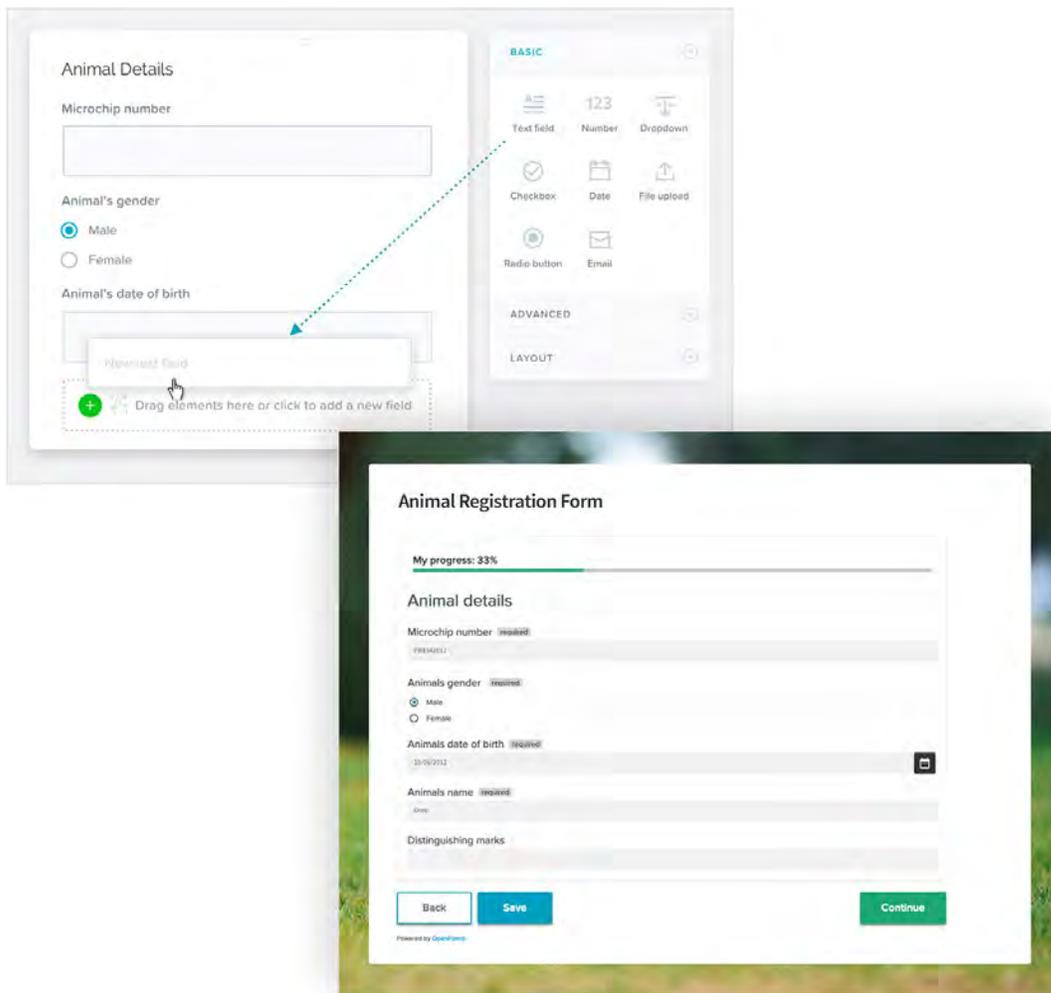
Give your residents the ability to pay a ticket. Register a pet. Reserve a venue. Report a problem. Today, most people come to your website because they need government services or support. From permitting and application forms, reporting and request forms, booking and payment processing forms, OpenForms helps you transform any PDF or over the counter request into beautiful digital services anyone can use.

And within your organization, OpenForms can help staff become more efficient by digitizing internal checklists, paperwork, and processes. Integrated with your intranet, staff details can be pre-filled to simplify form completion.



## Publish forms within minutes

No need to wait for a developer. Using a drag and drop interface, non-technical subject matter experts can create highly functional online forms and digital services within minutes. Simply create your form sections and add the questions and fields you need, configure field settings such as hide and show logic, choose where your form data will be submitted and hit the publish button.



## Form publishing made easy



### Embed or Link

Embed forms directly into your web pages using embed code, or generate a unique URL link for your form



### Accessible for all

By default, all forms are WCAG 2.1 AA / ADA Accessibility compliant, ensuring everyone in your community can be served online



### Create your own themes

Configure your fonts, colors and more to ensure your forms are consistent with your style guide and website design



### Works across all devices

Your forms will work perfectly on all popular mobile devices and browsers, as well as supporting touch gestures, GPS, and mobile camera



### Printable forms

Build and manage all your forms in one place, and generate beautiful, print-ready PDF versions with your branded header and footer



### Multilingual Forms

Publish forms in any language – including the ability to control micro copy (buttons and prompts) to ensure a completely multilingual experience



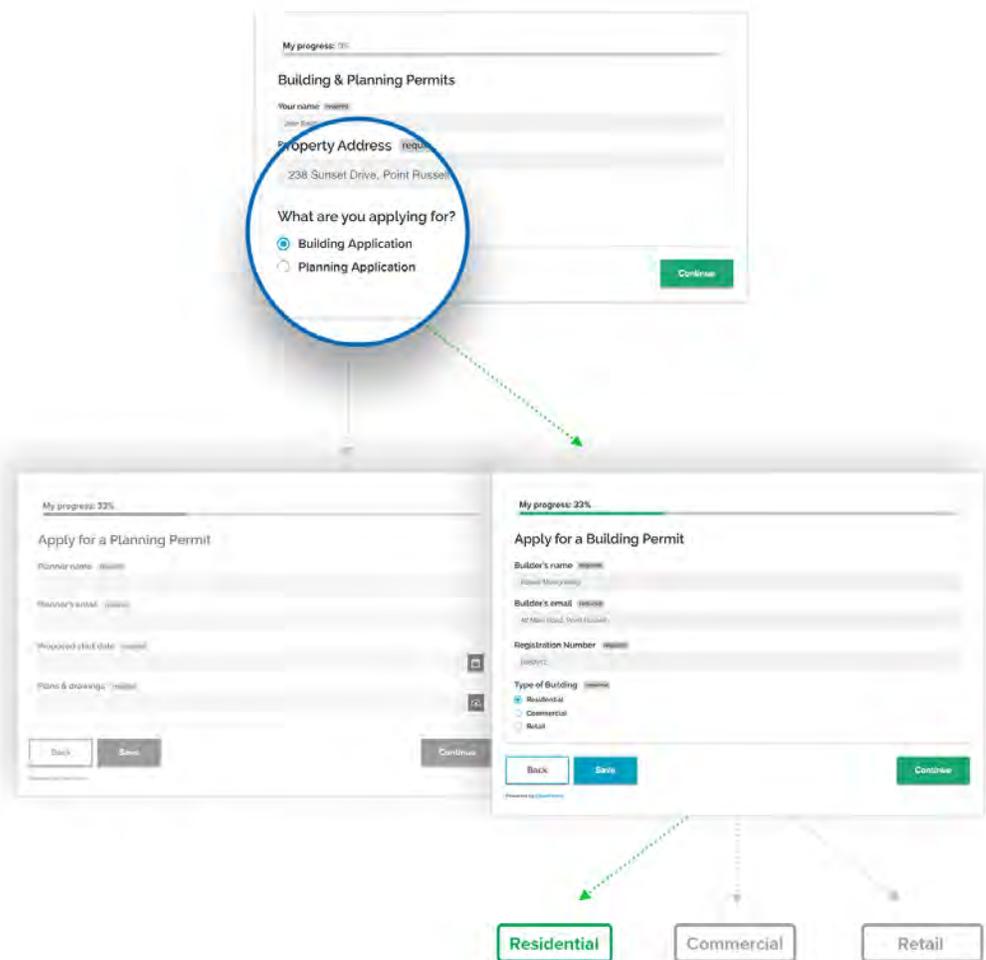
### Video and Images

Add detailed instructions and explanatory materials into your forms via images, videos, bullet lists and paragraphs



# Convert complexity into simplicity

Government services can be complicated, but the experience for residents accessing them shouldn't have to be. OpenForms is perfect for the business of government, with capabilities that will help you convert complex, multi-page forms and processes into simple, step-by-step online forms that adjust based on customers responses, and using workflows, move across multiple people, teams and departments.





### Show/hide questions and sections

Show or hide fields, or entire sections, based on users' responses



### Hidden fields

Streamline submissions with hidden, auto-populated fields (e.g. reference numbers)



### Multi-section forms

Create multi-section forms to simplify long forms, show or hide sections based on previous responses



### Save and Continue

Allow customers to save their progress and complete a form later, even on a different device



### Electronic Signatures

Enable customers to digitally sign a form prior to submitting, via pen/finger for touch devices, or file upload for desktops



### Works across all devices

Your forms will work perfectly on all popular mobile devices and browsers, as well as supporting touch gestures, GPS, and mobile camera



### Submission Logic

Ability to prevent forms from being submitted based on conditional logic



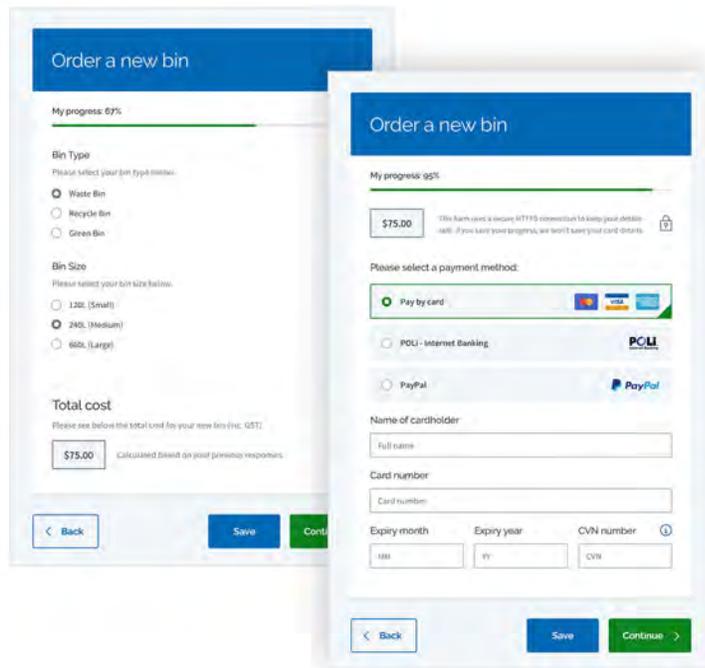
### Personalized email responses

Create personalized confirmation emails to keep customers informed



# Collect Payments Online

Make it easy for residents to book and pay for anything online. From facilities, to permits, infringements, rates and more – OpenForms not only delivers easy online payments with integration into popular payment providers, it can also dynamically calculate prices based on the information residents enter into the form.



## Payment Gateways

Process payments securely with support for all of the most popular local government payment gateways



## Calculations

Use answers within your form to calculate and adjust payments on the fly, or track data for numerical fields



## Receipts

Provide the customer with a unique receipt number upon form submission to track their request and help staff reconcile .



## HTTPS/SSL Secure

All customer details and payment details are protected with the highest levels of SSL encryption and security



## Integrate with your internal systems

Update your CRM. Capture records in your DMS. Pre-fill forms based on customer details. Populate form pricing from 3<sup>rd</sup> party databases. Pull the status of a customer request from an internal system.

By connecting OpenForms with your internal systems, you can save time and create efficiencies for both residents and city staff. No more manual re-keying of data into internal systems for city staff and faster form completion for residents.



### Web APIs

Boost your efficiency with two-way integrations with your internal systems



### Submission Connectors

Automate the submission process by pushing form response data into your internal systems



### Mid-Form Connectors

Validate data or retrieve additional information while users are completing a form (auto-complete addresses, or lookup an infringement notice number)



### Inherit Data

Pre-fill your embedded forms using data from the pages they are in (for example, auto-fill event name for event booking forms) to reduce effort for customers



### Google Maps

Connect to Google Maps to allow auto-completion of address fields as the user is typing, or for users to simply select an address via Google Maps



### Google Analytics

Connect to Google Analytics to track form usage and page analytics



## Enterprise ready

Built for teamwork. OpenForms enables you to decentralize forms publishing to more people, apply user-level permissions for security, create re-usable fields for consistency, securely test forms for quality and retain form history for record keeping.



### Users and Permissions

Streamline forms publishing across your city by controlling which users can view, create, or manage your organization's forms and submissions



### Form Versioning & Archiving

Draft changes to forms and publish them when you're ready, archive when no longer needed, and revert to old versions at any time.



### Reusable Field Sets

Accelerate form creation with reusable field sets for common questions (e.g. create a 'Intro Details' set including Name, Address, Phone, Email).



### Form Scheduling

Set a future date and time to publish draft forms and choose when forms should be removed, archived and retained for record keeping purposes



### Form Testing

Securely share and test your forms, transactions and web services before making them available using the test mode.



### Workspaces

Organize your forms into categories that reflect how your organization works, so everything your authors need is easy to find and in the one place



### Reusable Lists

Create ready-made lists of answers to use across your forms (e.g. you customer service locations)



### Reporting

Get useful insights on completion rates, bottlenecks and more to, improve your forms.



## OpenForms Plans Comparison

Features & Inclusions	Business Plan	Enterprise Plan
Included Users	3*	Unlimited
File Uploads & Storage	10GB	50GB
API Calls per hour	500	2000
Email Notifications	✓	✓
Custom Themes & Logos	✓	✓
Web API	✓	✓
Calculations	✓	✓
Payments	✓	✓
Conditional Logic	✓	✓
Reusable Lists	✓	✓
Google Maps & Analytics	✓	✓
Save Progress	✓	✓
Field Sets	✓	✓
Permissions	✓	✓
Hidden Fields	✓	✓
End-Form Data Connections	✓	✓
Mid-Form Data Connections	✗	✓
Printable Forms	✗	✓
Form Versioning	✗	✓
Form Scheduling	✗	✓
Workspaces	✗	✓

\*Up to 16 additional users can be added for a monthly fee.



# Appendix C: Intranet

Deliver a useful, up-to-date intranet that brings together the content, communications and online services that local government staff needs



# Better intranets start with OpenCities

Help all employees find and view the information they need. Deliver content to specific employee groups securely. Enable onboarding. Organize policies. Surface and search key content. With over 30 purpose-built modules, the OpenCities Intranet gives local government workers the functionality they need to serve better. Delivered as a mobile friendly, ADA compliant, continually evolving cloud solution, an OpenCities Intranet is fast to deploy, easy to scale and provides the user experience a modern intranet needs.

The screenshot displays the OpenCities Intranet for the City of Point Russell. At the top, there is a search bar and a user profile for 'Angela'. The main navigation area includes icons for 'STAFF DIRECTORY', 'FORMS & POLICIES', 'APPLY FOR LEAVE', 'WORKS & PROJECTS', 'HAVE YOUR SAY', and 'SOCIAL CLUB'. Below this, a news section features a large article titled 'Point Russell named Australia's most sustainable city by Clean Energy Council' with a date of 'Published on 16 Jan 2018'. Other news items include 'Launch of 2030 Vision: Have your say!', 'New Performing Arts Studio now open to the public', and 'Mark Odenkirk named Local Council Marketing Manager of the Year'. A sidebar on the right shows a user profile for 'Zoe' and a list of navigation options: 'STAFF DIRECTORY', 'FORMS AND POLICIES', 'APPLY FOR LEAVE', 'WORKS & PROJECTS', 'HAVE YOUR SAY', and 'SOCIAL CLUB'. At the bottom, there are three featured articles: '15 Feb PlanPro Training', '22 Feb Public Works Open Day', and '01 Mar Training: Identifying popular webpages and services'. A notification for 'Animal registrations can now be completed digitally' is also visible.



## Better content

Create more useful and actionable intranet content. OpenCities helps you get critical content out of the chaos of file shares, transforms unstructured content into structured content, and makes it simple for content authors to publish in a more consistent and effective way.

Combined with the ability to surface content based on user roles, permissions, and department, make your intranet a go-to place for everyone to quickly find the “official” copy of policies, procedures, forms, budgets and more.

**Public Works**  
Last updated on 08 October 2018 at 09:38 PM

The Public Works Department designs, manages, and inspects major capital improvement projects; promotes bicycle, pedestrian, safe routes to school, and urban trail projects; and maintains the City's network of trails, roadways, and bridges once they are built.

**Have Your Say!**

**2030 Vision**  
Submissions closed on 12 December 2018, 12:00 PM  
Help shape how we operate in our 2030 Vision initiative. Covering everything from how we deliver services, through to how we work internally, this consultation touches on every part of our operations and your contribution is valuable.

**"Eco-Building" construction guidelines**  
Submissions closed on 19 January 2018, 12:00 PM  
A range of new measures aimed at encouraging the development of "eco-friendly" buildings are being considered.

**Park bench restoration project**  
Submissions closed on 15 January 2018, 12:00 PM  
With over 1,000 park benches across the municipality, Point Buses is looking to upgrade the appearance and maintenance of our community benches.

**Department Head**  
**Nathan Harrison**  
Holding over fifteen years experience in urban planning across growth corridors across the country, Nathan leads the planning and implementation of public projects across our City, balancing the needs of local communities with environmentally sustainable urban development.

**Contact Us**  
Phone: 03 9513 2330  
Email: publicworks@pointbuses.net  
Location: City Hall, 150 Collins Street, Melbourne, 3000  
View Map

**Job Openings**

**Supervisor Landscaping**  
In this role you will be responsible for leading your crew to achieve great outcomes for the community to ensure the City's landscape assets are in good repair.

**Public Works Assistant**  
This position, under the supervision of a Public Works Administrator, performs a variety of duties related to the care and maintenance of an assigned division.

**Public Maintenance Worker**

## Better communication

By increasing the number of staff contributing to your intranet, you can create a more up to date, and ultimately more useful resource for everyone. OpenCities makes it easy for anyone in your city to get involved in publishing news articles, upcoming events and announcements within the intranet, without the need to login or learn the backend system.

To control quality, approval workflows can be turned on, ensuring some or all types of user generated content goes through an approval process before appearing on the intranet.

**Upcoming events**

**04 Jun** Council Meeting: Manager's Briefing  
Briefing for Department Manager to brief them on the latest Council operations and strategies.  
Tagged as: Talks & workshops

**01 Jun** Identifying popular webpages and services (Training)  
Learn how to use our tools for identifying our most popular webpages and services ahead of the first phase of our Digital Services Transformation Project.  
Tagged as: Talks & workshops

**17 Jun** Public Works Open Day  
Residents are invited to visit the Department's relation centre to discover how the City report and operation of public works.  
Tagged as: Talks & workshops

**04 Jun** Smart City Seminar  
The City is hosting a keynote for all Public Works and Building & Planning Department staff on 4 Smart Cities. Join this exciting event to be one of the first to hear from our speakers!

**01 Jul** Pop-up City!  
We are running our first Pop-up Council event, giving our community a chance to offer feedback and suggestions for improvements to this community.  
Tagged as: Talks & workshops, Community event

**Add event**

**Title (Required)**  
Feb Fundraiser

**Summary (Required)**  
Join us in City Hall for a fundraiser bake sale! Bring a pie, or bring an appetite. A small entrance fee donation will be charged for guests. Free entry for those bringing a pie.

**Dates (Required)**  
Add Date & Time

**Categories (Required)**  
Talks & workshops  
Community events & fundraisers  
Major events  
Training

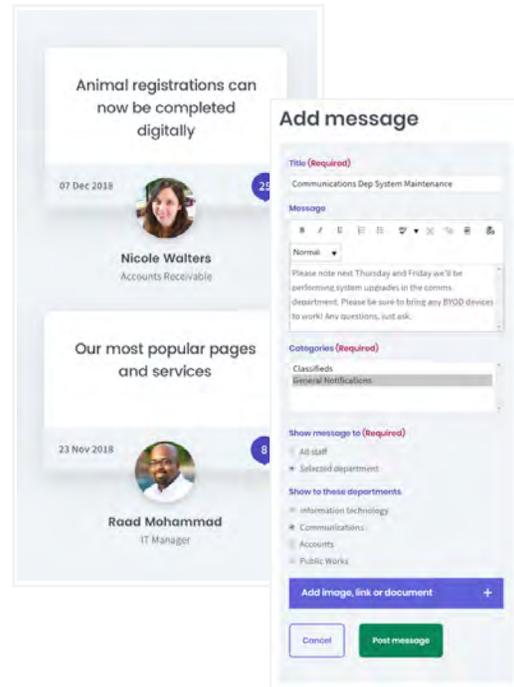
**Cost**  
\$10 Entry Fee  
 Free

**Location**  
Venue  
City Hall  
Street address  
5003 Main Street



## Better collaboration

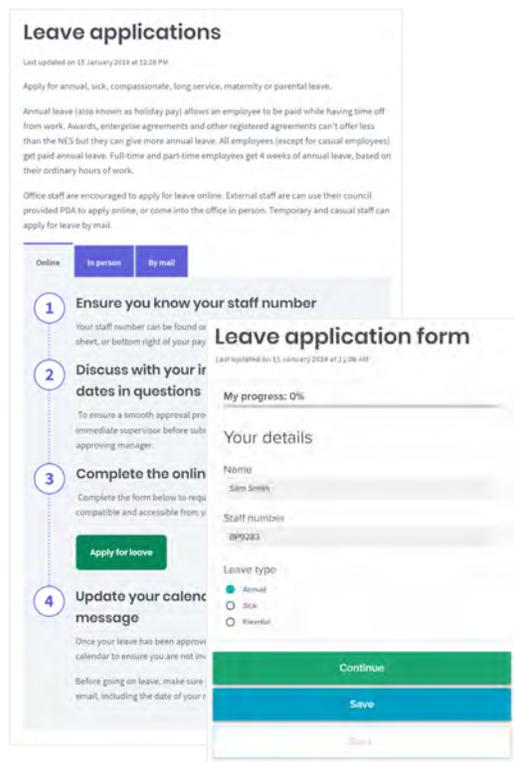
Empower better top down, bottom up and peer to peer communication. OpenCities provides a message board and discussion functionality that allows intranet users to start, follow and participate in discussions. Each discussion space can be shared across the entire organization, or only specific departments and teams, allowing greater collaboration. Discussions can also extend beyond message boards, and be enabled for any type of content, including news, events, projects, announcements and more.



## Better self-service

From internal application and staff request forms, to compliance checklists, OpenCities transforms long and outdated PDFs into easy to use online forms. Reduce steps by pre-filling forms with user details to simplify completion, and by using our APIs, submit internal requests to whatever internal system is needed.

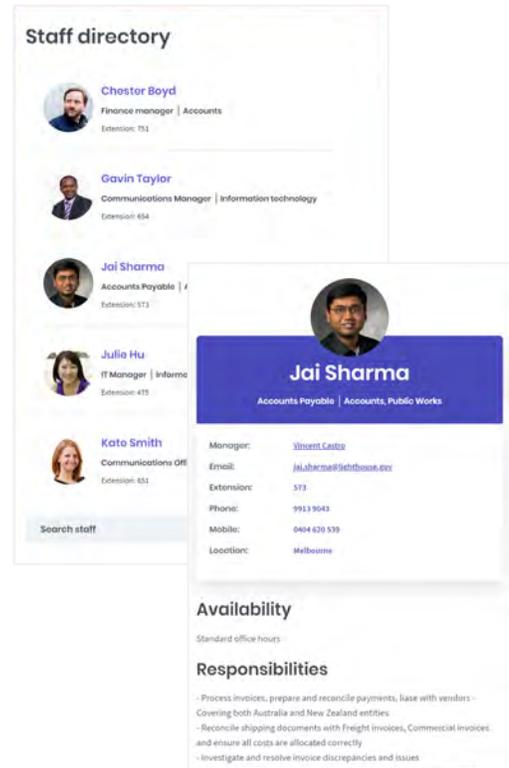
In combination with the services template, OpenCities makes it easier than ever before for staff to get clear, simple, and actionable instructions.



## Better directories

A central, always current location for all staff members is delivered in a contemporary LinkedIn inspired format. Automatically generate and maintain a beautiful staff directory based on the details available in your Microsoft Active Directory system. The staff directory can be searched and filtered by staff name, department, team, skill or any other fields. Staff can easily self-manage their listing.

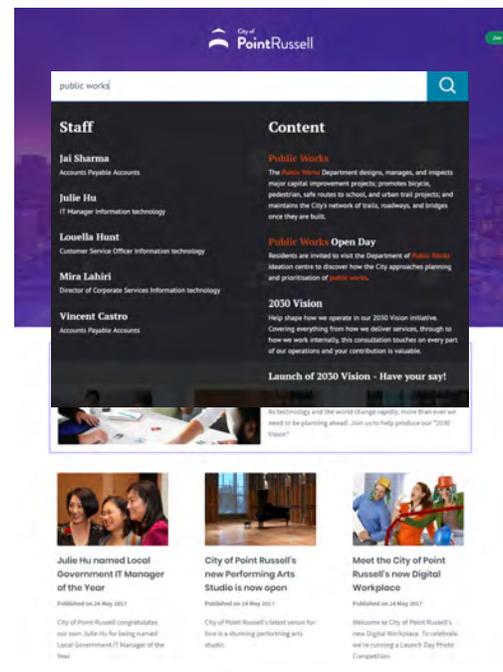
Users can also switch to an organization structure chart format to see reporting structures and the relationship between people and departments.



## Better discovery

Empower staff to find any intranet page, document or staff member through a single search experience. A large, predictive search box invites users to simply type in their query, and then suggests the content, files or people that best match their inquiry as they are typing.

The search also connects the non-technical words used by staff (i.e. maternity leave), with the more formal terminology used by governments (i.e. parental leave policy). This vastly improved search experience means users can now find the information they are seeking directly from the homepage.



## 30+ Intranet modules including...



### Single Sign-On

Integrate your MS Active Directory, giving staff the convenience of a single sign-on experience



### Internal News

Keep staff up to date with key internal news, delivered organization or by department



### Events Directory

Help staff discover internal city events such as meetings, committees, training and more



### Services Directory

Create clear, actionable instructions to help new staff with their needs



### Departments

Showcase department specific information & people, projects, events, news and more



### Projects Directory

A place for staff to see completed, current and proposed local government projects



### Consultations

Drive organizational improvement by gaining insights via internal consultations



### Single Source of truth

Integrated your intranet file library with a range of eDRMS systems via our connectors



### Shared content

Share any content from your website to your intranet to reduce publishing effort



### Personalization

Control who see what with permissions-based pages, files and documents



# Publisher experience

A beautiful and intuitive resident experience starts with a beautiful and easy to use publisher experience

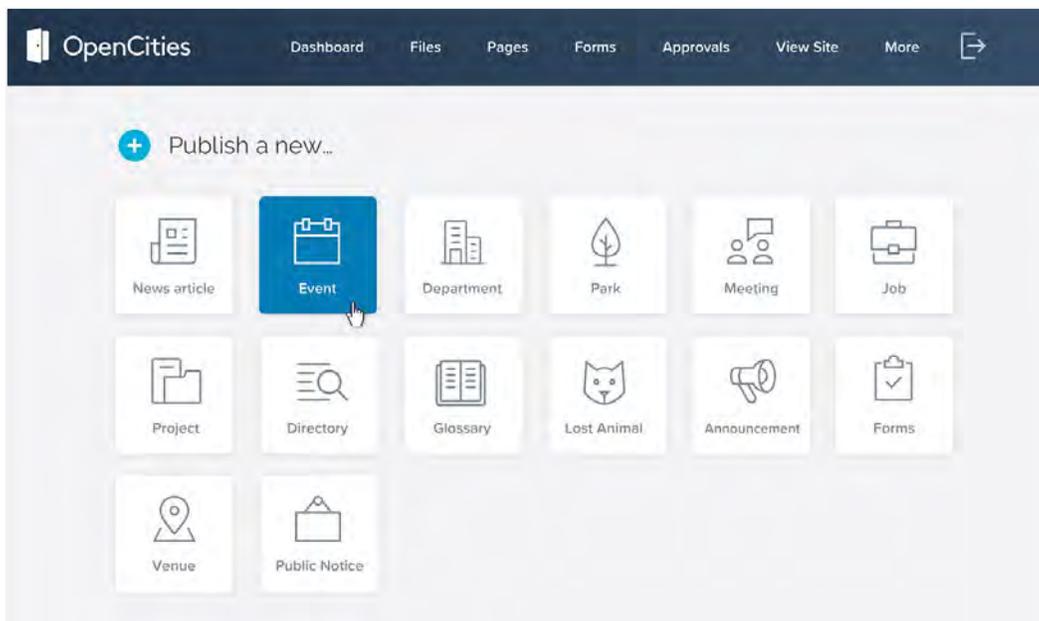
## Content management, made simple

**Make web publishing simple. Share content across all your channels. Create new websites without custom coding. OpenCities puts you in control.**

A consistently up-to-date and easy to use website helps inform, engage and serve your community at a fraction of the cost of doing so in-person or over the phone. But for the website to be effective and current, it must be easy to update and maintain by non-technical department staff.

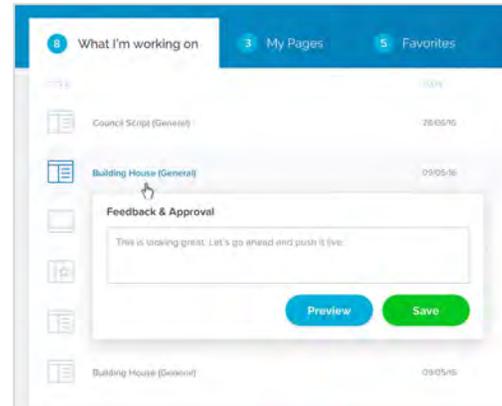
OpenCities has been purpose built for non-technical government users, ensuring everything from publishing content and forms, to updating website layout and design elements can be done without any coding skills.

Not only does OpenCities make managing your sites easier, it makes it better. A personalized dashboard helps publishers keep track of their work, action content feedback from community and colleagues, fast-track publishing of common content and more.



## Streamline publishing

Accelerate site setup and reduce publishing effort by using content modules for commonly published types of content (news, upcoming events, parks and facilities, emergency announcements, works and projects, etc). Using modules, publishers can quickly create consistently beautiful and well formatted content without worrying about layout, design, or publishing destination.



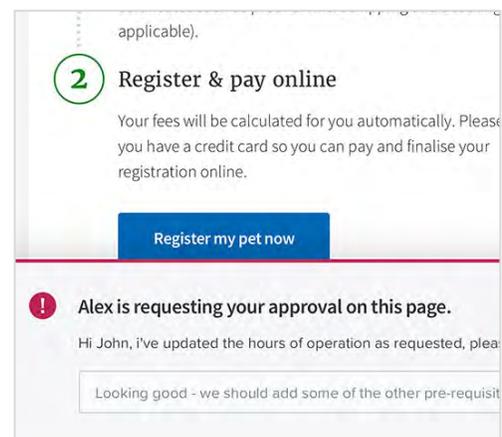
## Users and permissions

Precision control of user roles and permissions allow you to craft exactly what each user can do within the system. From controlling what types of content certain people can publish, which sites they can contribute to or who can create entirely new sites and design themes, you have full control of user permissions.

Name	Email	Roles
Shanice Biskeley	sbiskeley@seamlesscms.com	Author
Jay Frasier	jfrasier@seamlesscms.com	Super Admin, Viewer
Elvie Zaccaria	ezaccaria@seamlesscms.com	Website Manager
Benedict Hashman	bhashman@seamlesscms.com	Author
Raul Pankey	rpankey@seamlesscms.com	Front-end Developer
Keven Bosh	kbosh@seamlesscms.com	Author
Josef Enders	jenders@seamlesscms.com	Super Admin, Viewer
Rebecca Li	rl@seamlesscms.com	Website Manager

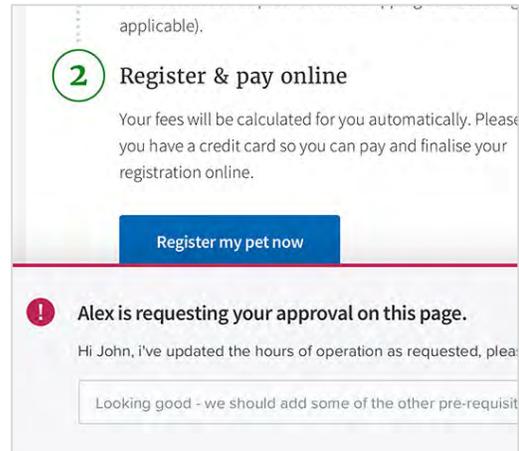
## Smarter workflows

How can you succeed in assigning website ownership to more people, while ensuring a consistently great experience for your end users? OpenCities workflows automatically route content to the right reviewer prior to it being published. What's more, approvers don't need to log into the system to view, comment on or approve content, allowing more people to get involved in workflow.



## Get connected

OpenCities makes it easy for people across your organization to collaborate on content together before its ready for publishing. Using the 'review' functionality, publishers can invite others (even if they don't have an OpenCities login) to review and provide feedback on their content, reducing the need for back and forth emails with attachments.



## History and tracking

Changes to any page, document or image are recorded in history, allowing you to quickly preview or roll back to previous content versions. Furthermore, in-line visual mark up makes comparing the difference between any two versions of content a breeze, ensuring site managers and approvers can visually see how the site has evolved over time.



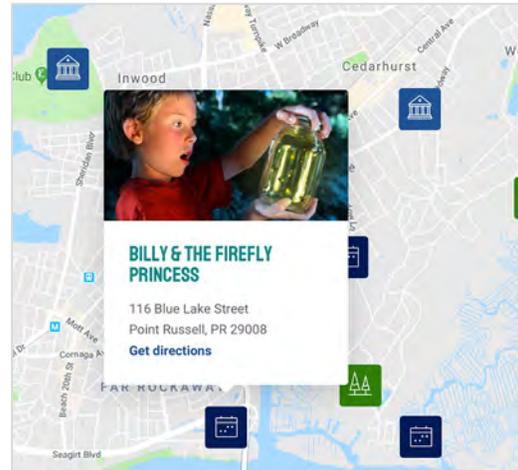
## A central digital library

Bulk upload, categorize and manage thousands of digital assets across all your sites. You can store documents, images and videos, with full lifecycle management, version history, usage reports and more.



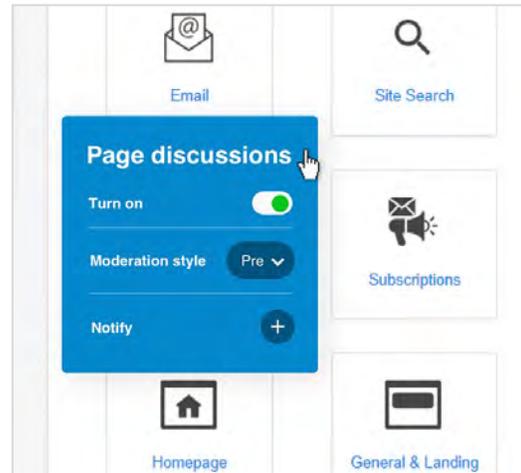
## Create maps

Create your own maps with pins, lines or vectors based on your content. Use pins to represent content such as events or projects. Use lines to show road closures or bike paths. Use icons to represent affected areas for emergency announcements.



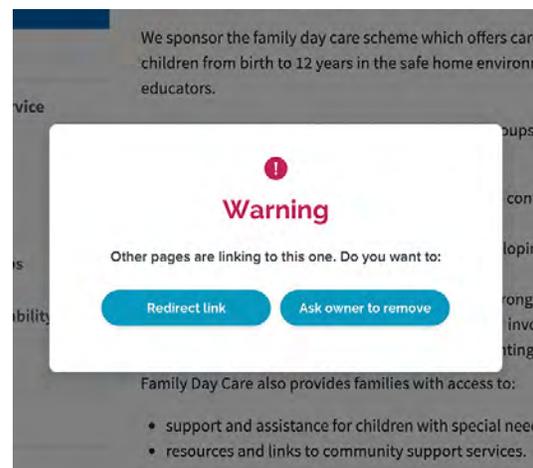
## Site settings

Whether its tweaking the search logic, setting up your local government's geospatial points, updating site-wide or module specific configurations, everything you need to manage your website can be configured in site settings, without programming skills.



## No broken links. Ever

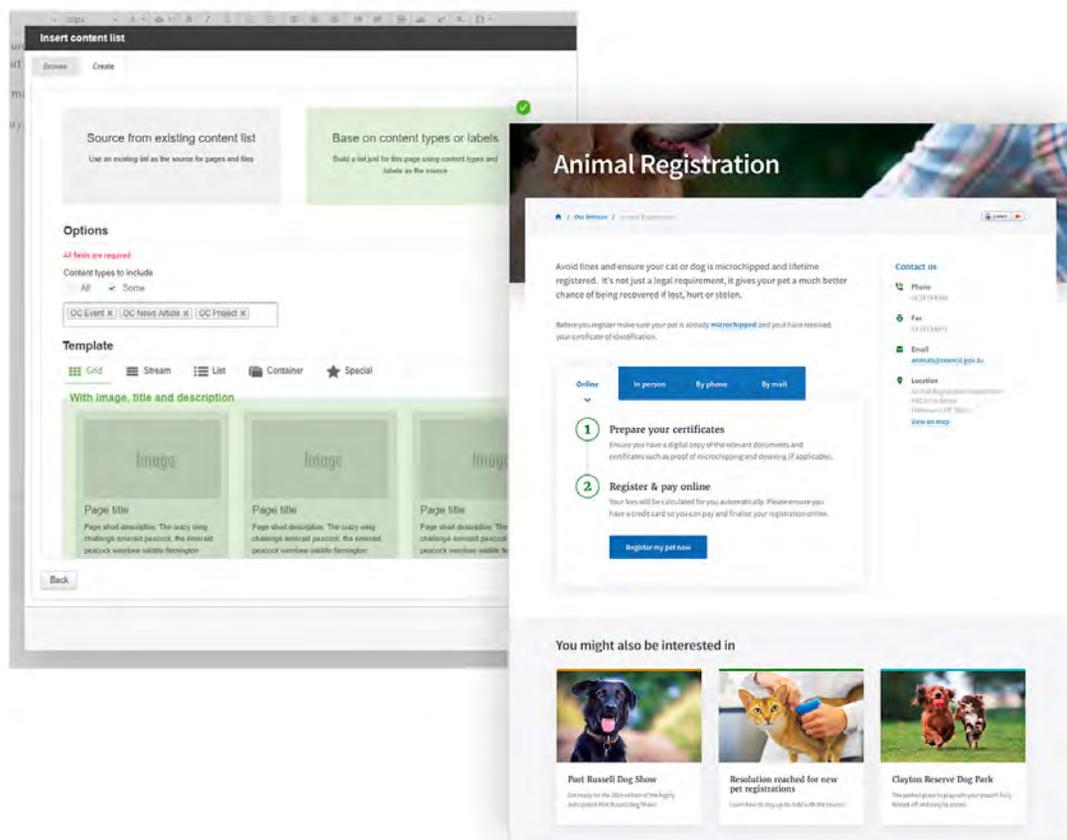
Move or rename pages as much as you like. OpenCities automatically updates all links so publishers can freely update your site without worrying about creating broken links or impacting bookmarks. This applies not just in your main site, but across all the sites you manage in OpenCities.



## Create dynamic content

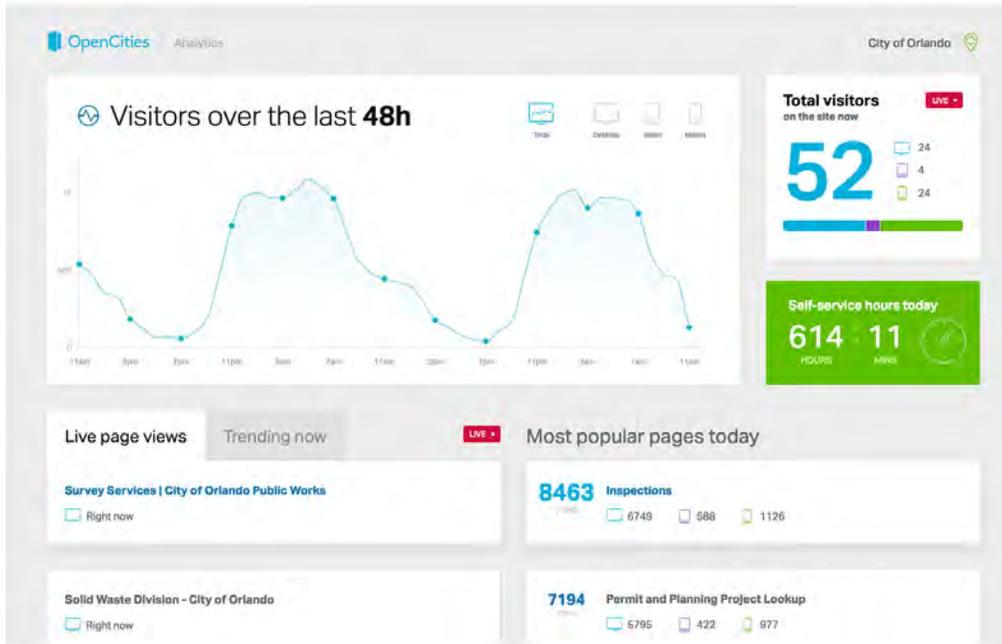
OpenCities helps you surface content such as news, events, projects and more, to the right people, at the right time, across the right channels. By relating content using our content labels, users who have completed a dog registration may be offered information on pet-friendly events or parks. Those who have reserved a park may be offered a listing of events at that location. OpenCities can drive meaningful engagement with your community by connecting people to the things that matter most to them.

Dynamic content can be created with a few clicks, based on variables ranging from content type to user interests, and syndicated across your entire network of sites. Now, you don't need to rely on people navigating through your menu to discover useful content – it comes to them!



## Measure and improve

The launch of your new website is just the start of your digital transformation journey. OpenCities provides the tools you need to make better, data driven decisions.



### Content insights

What's trending now? What services are people using? OpenCities shows you a live view of what's happening on your website in a simple and beautiful way that focuses on what matters

### Internal reporting

Make it easy for site managers to keep content publishing teams on track via internal content audit reports, activity streams, publisher tasks management, and much more

### Internal tasking dashboard

A personal dashboard keeps each publisher informed when content is approaching review or about to expire, page performance, feedback, workflow status and more

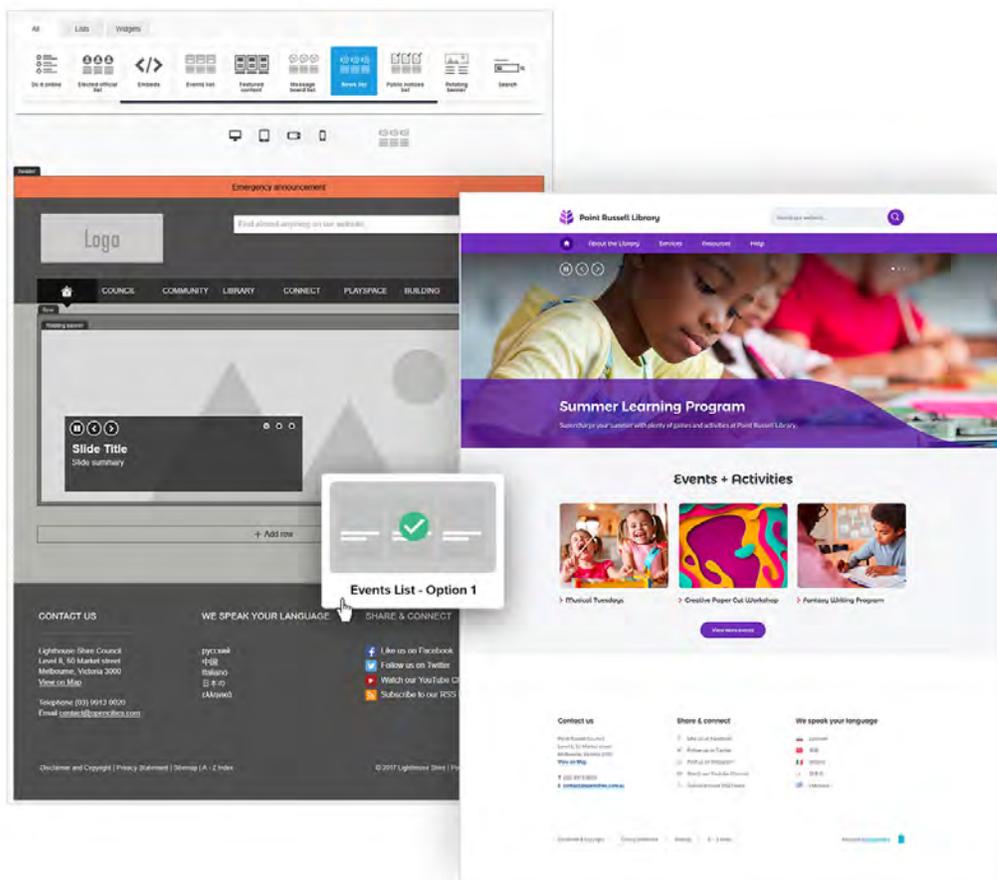
### Site analytics

OpenCities integrates with Google Analytics (including tag manager) to provide complete site usage data



## Make it yours

Update your homepage design. Create new content templates. Setup and launch a new website. Deliver useful new functionality for users without waiting weeks for web developers, or years for a full redesign process. OpenCities lets you take full control of your entire digital experience using an intuitive drag & drop approach, without custom coding.



## Update your visual design

Create or update your website design and layout, simply by dragging and dropping the functional elements you need into whatever order you want. You can update navigation menus and search, rotating banners, events listings, maps and much more. Then, apply



your colors, fonts, imagery and CSS. Securely preview your design changes with real content, and then publish live when ready.

## Create your own content templates

Out of the box, OpenCities provides thoroughly tested content templates that streamline publishing of common content types such as news, events, jobs, parks, facilities, announcements and much more. By using our template builder, you can easily create your own unique content templates and lists for other types of structured content.

## Setup your own subsites

Create and manage subsites for your departments without custom web development. Using the site wizard, you can select what functions your new site needs, create a visual design that addresses the creative and layout needs of the department, setup publishers and permissions, and start entering content within a matter of days.

## Easily extend functionality

As a SaaS platform, you don't need to setup and manage development or testing environments when receiving version upgrades or testing-out new functionality. Because everything we release doesn't introduce custom coding, OpenCities delivers an agile plug and play model that allows you to safely iterate your site within a single environment.

## Responsive and future-proof

All design elements in OpenCities work beautifully across mobile devices, different web browsers, and meet the highest level of ADA/Accessibility compliance. Better still, they are continually updated for new devices, browsers, web standards and UX trends, to ensure your digital experience always remains at the cutting edge, without custom coding.



## Integrations and connectors

We recognize that our platform is only one part of your technology ecosystem, and for that ecosystem to work effectively, systems need to speak to each other. That's why we've ensured OpenCities offers an open and flexible interface that can integrate with other systems and data sources, with out-of-the-box connectors for many popular local government systems and fully documented APIs for custom integrations when needed.



### DMS Connector

Ensure your community is acting on the most accurate and up to date documents. Our DMS connector allows you to synchronize files from TechnologyOne ECM, TRIM CM, Objective DMS with OpenCities, creating a single source of truth



### CRM APIs

Share between OpenForms and your CRM system. Push data into your CRM without requiring customer service teams to manually rekey requests. Pull data from your CRM to pre-fill fields and simplify form completion for customers



### Payment gateway connector

Connect to your preferred payment gateway. With support for many of the most common payment gateways used by Local Governments, OpenCities makes it easy to setup online payment forms that can be reconciled with your financial systems



### Maps APIs

Using our Maps API, you can draw in trash pick-up schedules from your GIS system. Use plot content from your GIS system onto OpenCities Maps. Showcase road works, projects and closures as pins or lines



### Active Directory Connector

Authenticate OpenCities admin users and control their permissions based on your Azure based AD.



### Content APIs

Publish pages and lists dynamically based on information sets in your internal systems. Showcase development applications



## Hosting and security

OpenCities has partnered with Microsoft to ensure we provide the most reliable and secure service using Microsoft Azure, the world's most trusted cloud. Hosted in Microsoft Azure and Azure Government Cloud in the U.S, OpenCities ensures maximum uptime by taking advantage of Microsoft Azure's geo-redundancy, built-in backup capabilities, and advanced security posture.

### Locally hosted, Data sovereignty compliant

With all Microsoft Azure primary and secondary facilities located onshore, OpenCities is fully compliant with government data sovereignty laws.

### Trusted reliability

Microsoft Azure delivers 62 compliance offerings, which is more than any other cloud provider. That's why 90% of Fortune 500 companies use the Microsoft Cloud. With OpenCities & Azure, you're in safe hands.

### 99.9% SLA

Our hosting provides a comprehensive uptime guarantee with monthly rebates if we don't meet our commitments. OpenCities provides 99.9% uptime availability, calculated monthly. In a typical 30 day/720-hour month, this equates to no more than 1 hour of downtime per month (not inclusive of scheduled maintenance and emergency maintenance).

### Security / SSL encryption

As society's digital footprint continues to expand, the threat of malicious activity online becomes more pervasive. Given the amount of personal data required in government transactions, the risk to the public can be significant. OpenCities encrypts all forms with SSL to ensure security.



## Service level agreement

Severity Level	Resolution Process	Resolution Target
<b>PRIORITY 1 - DOWNTIME</b> (your public facing website is down)	Reportable 24x7x365 via Priority 1 Telephone number Acknowledgement and assignment of problem for resolution within 1 hour	Within four hours
<b>PRIORITY 2 – URGENT</b> (some publishing functionality is not working as intended and no workarounds are available)	Reportable 24x7x365 via Online Help Center, or by telephone during business hours (7 am to 6 PM, Pacific time) Acknowledgement and assignment of problem for resolution within 1 business day	Provide workaround or release a Version Update to fix problem by close of next business day
<b>PRIORITY 3 – HIGH</b> (some publishing functionality is not working as intended, but workaround is available)	Reportable 24x7x365 via Online Help Center. Acknowledgement and assignment of problem for resolution within 1 business day	As soon as possible within normal development (scheduled or next version update)
<b>PRIORITY 4 – NORMAL</b> (some functionality is not working as desired)	Reportable 24x7x365 via Online Help Center. Acknowledgement and assignment of problem for resolution within 3 business days	Scheduled or next version update



## Azure Government Cloud

By partnering with Microsoft Azure Government, OpenCities provides a superior service that delivers world class security, privacy and scalability. Our service provides full redundancy and twice daily backups, supported by a 99.9% SLA guarantee.

Find out more about Microsoft Azure Government here

<https://azure.microsoft.com/en-us/global-infrastructure/government/state-and-local/>





## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Bid Process for removal of existing community center

**SUBMITTED BY:** Chris Engel, City Administrator

**MEETING DATE:** June 8, 2020

### PROJECT BACKGROUND/DESCRIPTION:

In summer 2020 the Parks & Recreation Department will vacate the IBFCC building to occupy the new Merriam Community Center in Vavra Park. In 2018/19 a resident Steering Committee conducted a public process to determine the best options for the future use of the building and/or site.

At the conclusion of that process the Committee made a recommendation to the City Council to add several new amenities and attempt to save the original 1911 building. In 2020, a firm was hired to conduct a structural analysis of the 1911 section of the building. Their study concluded the 1911 building could be salvaged at an estimated cost of \$4.7 - \$5.2 million dollars with potential tax credits available for ~\$850,000. This cost estimate does not contemplate a final use of the building after restoration, the additional costs for tenant finish, ADA, or site work outside the building. Also, this cost does not include any of the site improvements recommended by the 5701 Committee which would add an additional ~\$2 million dollars.

On May 18, 2020 the City Council held a worksession to discuss the future of the site. After deliberation it was determined, due to the extraordinary cost of saving the facility and the lack of a future use, the city should move forward with removing the entire community center structure to allow for future public reuse of the property.

Staff has created the attached draft bid document with a scope of work that reflects the discussions of the City Council. Staff anticipates releasing the bid document upon City Council approval. The bids would be due back in early July after staff has a better understanding of the financial impact COVID-19 has had on the budget. There is currently \$650,000 budgeted in 2020 for this project.

### CITY COUNCIL GOALS AND OBJECTIVES

3.0 – Improve Physical Conditions and Property Values

4.0 – Maintain Economic Vitality

### FINANCIAL IMPACT

**Amount of Request/Contract:** unknown

**Amount Budgeted:** \$650,000

**Funding Source/Account #:** CIP General Projects

### SUPPORTING DOCUMENTS

- Sample Bid Document with Scope of Work (draft)

### ACTION NEEDED/STAFF RECOMMENDATION

Recommend the City go forward with the bid process to demolish the existing community center located at 5701 Merriam Drive

# **Request for Bids for DEMOLITION of 5701 MERRIAM DRIVE Merriam, Kansas**

This is a request for bids for the demolition of a commercial building located at 5701 Merriam Drive, Merriam Kansas. The City of Merriam is the property owner.

At a minimum, the project includes the following:

1. Locate utilities and verify that they have been properly disconnected.
2. Obtain all permits required by local, state, and federal agencies.
3. The contractor will be required to have a City of Merriam Occupational License.
4. City of Merriam building/demolition permit will be required. The associated permit fee will be waived.
5. Removal of the structure and its contents, including all exterior mechanical equipment, walls, foundations, slabs, and basement walls and floor.
6. Removal and recycling, to the extent possible, of those materials that can be recycled. All remaining mechanical, electrical, plumbing, equipment, fixtures and appliances may be disposed of as scrap material. They cannot be resold or reused for their originally intended purpose without prior approval from the city.
7. The resulting voids caused by the removal of the basement, concrete slab, and foundation walls must be filled with suitable soil and properly compacted.
8. Removal of all parking lot asphalt, curbs and driveways that are north of the Kessler Drive mid-point entrance circle drive.
9. Removal and disposal/scraping of the on-site playground equipment. The equipment is not to be resold or repurposed.
10. Removal of the sand volleyball court. All sand is to be removed and the void filled with dirt and properly compacted.
11. Removal of the brick trash enclosure located on the southeast portion of the site. The void is to be filled with dirt and properly compacted.
12. Removal of the monument sign and base located on Merriam Drive. The void is to be filled with dirt and properly compacted.
13. Removal of internal sidewalk.
14. Removal of two sweet gum trees on the southwest side of the building.
15. With the exception of the two sweet gum trees, to the extent possible, existing site trees are not to be removed or damaged. Some trees may need to be trimmed before demolition can begin. Trimming of trees is the responsibility of the contractor. A tree preservation plan must be submitted prior to the start of demolition. All tree trimming or removal must be approved by the Community Development Director or his designee before it can occur.

16. Final grading and seeding, with straw, of all disturbed areas on the site. Grading of the site must be done to insure that there is positive drainage with no onsite ponding.
17. Installation of temporary construction fencing around site during demolition.
18. Installation of all NPDES controls – including erosion control/sediment fencing, inlet protection, etc. The erosion control plan must be submitted and approved by the City Community Development prior to the start of work.
19. All asbestos remediation. The NESHAP inspection report is attached.
20. Provide protection for all on-site utility lines.
21. The building cornerstone is to remain undamaged and intact. The contractor will be responsible for removing the cornerstone and readying it for transport. The city will be responsible for transporting the cornerstone from the site. Note that the cornerstone is in the building interior at the northeast corner of the original 1911 building.
22. Retaining 45 cubic yards of the exterior building stones from the eastern most facing exterior wall. The stones are to be made ready for transport. The city will be responsible for removing them from the site.
  - 22a. Provide a bid alternate for the cost associated with cleaning all excess material (mortar, etc.) from each stone.
  - 22b. Provide a bid alternate for removal of the two stone mosaics on the west exterior wall above the two entry doors. To the extent possible the mosaics are to remain intact. The contractor will be responsible for readying them for transport. The city will be responsible for transporting the mosaics off-site.
23. If necessary, provide traffic control.
  - a) Traffic control must be done in accordance with the most recent Manual on Uniform Traffic Control Devices.
  - b) Before any work commences, the traffic control plan must be approved by the City Engineer.
  - c) Traffic control plan must allow residents reasonable access to their property.
  - d) There is to be no overnight storage of any equipment on city streets.

**Prospective bidders should note the following:**

24. The following items may be removed by the city prior to demolition –
  - a. All streetlights
  - b. Flagpole
  - c. Park benches
  - d. Monument sign letters
25. During the demolition or any other activity related to the demolition, if the contractor discovers items having any apparent historical interest, prior to removal or destruction of the items, the contractor must contact the Community Development Director who will determine if the object can be removed and/or destroyed. Examples of items with apparent historical interest include, but are not limited to: a time capsule, hidden artwork, documents or photographs, plaques, memorials, etc.

26. All work and required equipment is to be contained to the subject property.
27. Contractor will be responsible for daily cleaning of the streets around the project area.
28. Work is to be conducted between 8:00AM and 6:00PM Monday thru Friday.
29. Payment will be made in a lump sum. Payment will be processed after the acceptance of the completed project by City staff.
30. Upon the award of the bid, the successful bidder will sign and fulfill all the requirements in the City of Merriam Professional Services Agreement. (Attached)
31. The City will conduct an on-site question and answer sessions and allow any interested bidder to inspect the property on **XXXX XX, 2020 at 2PM and XXXXXX XXXX, 2020 at 2PM**. These will be the only on-site visit and question and answer session conducted by the City.
32. The City is not obligated to accept the contractor with the lowest bid amount. The City, at its sole discretion, will determine the appropriate contractor for the project.
33. At any time and at its sole discretion, the City can, without notification or explanation, cancel the bid process without awarding the project.

Sealed bids must be submitted to the Merriam City Clerk’s office located at the Merriam City Hall by **2:00PM, Monday, XXXXXX XX, 2020**. Bid submittals must include the following items:

- A. Executed “Bidder’s Affidavit”.
- B. List of equipment owned by the contractor that will be utilized for this project.
- C. Bids can be lump sum.
- D. Insurance certificate that meets the insurance requirements stated in the Demolition Contract article **X.XXX**.
- E. Bids can be in letter form. There is no required bid form.

Failure to include one of the above required documents may cause the bid to be rejected.

**Project Timeline**

<b>XXXX XX, 2020</b>	Request for bids are sent out to contractors
<b>XXXX XX, 2020 and/or XXXX XX, 2020</b>	On-site walk through and inspection of the property. The city will also conduct a question and answer session at that time. All interested parties should be at the project site by 2:00PM. These will be the ONLY on-site visit and question and answer session conducted by the City.
<b>XXXXX XX, 2020</b>	2:00PM deadline for bid proposals
<b>XXXXX XX, 2020</b>	10:00AM bid opening at Merriam City Hall in the Council Chambers
<b>November 30, 2020</b>	Project completed

Following the opening of bids, the City will review the bids and, at the city's sole discretion, award the project. At any time during the bid process, prior to awarding the project, the City can cancel the bidding process and not award the project. The City is not obligated to award the project to the lowest bidder.

**Contact**

Bryan Dyer, Community Development Director, 913-322-5527, [bdyer@merriam.org](mailto:bdyer@merriam.org)

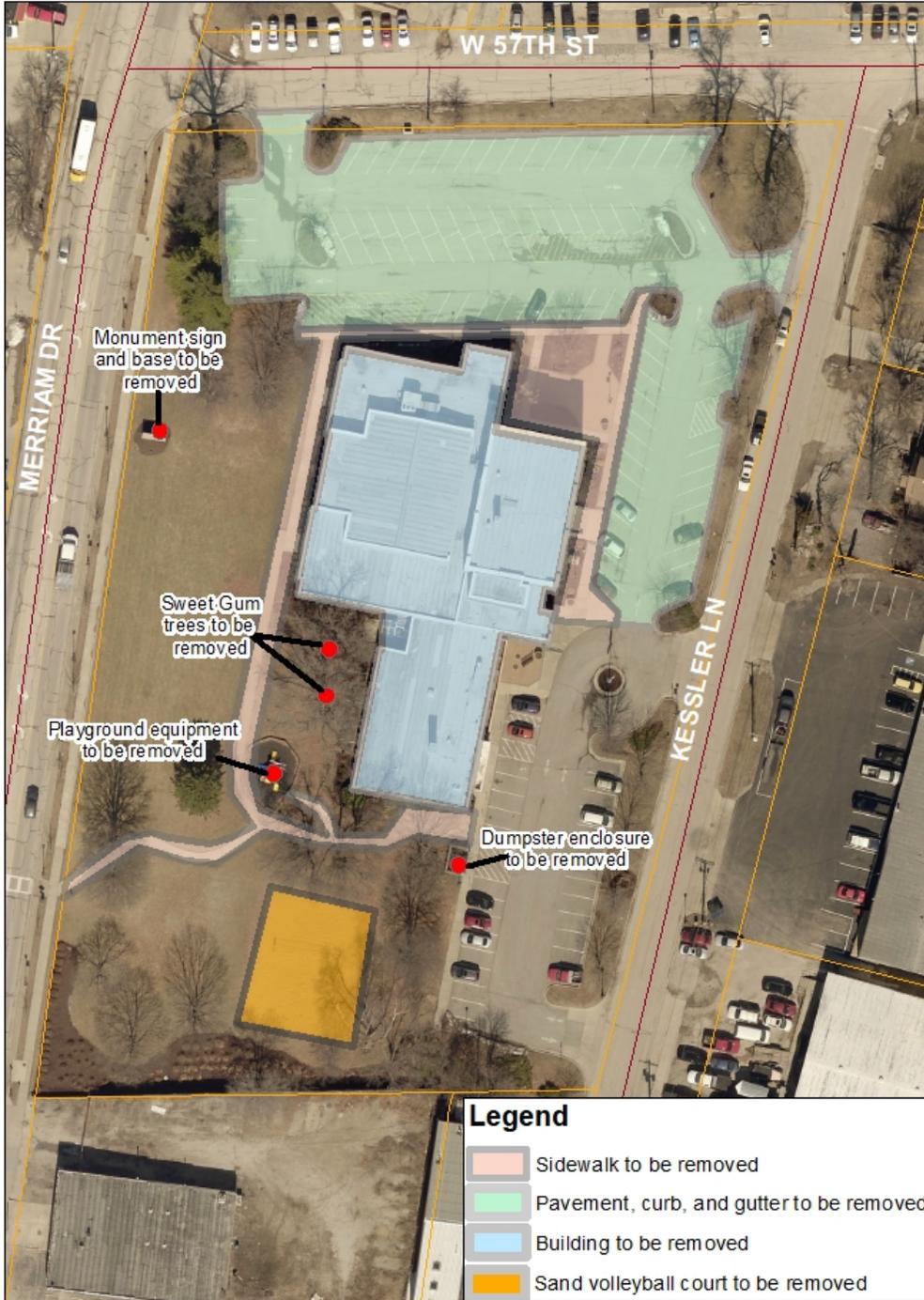
Merriam City Hall, 9001 W. 62<sup>nd</sup> Street, Merriam, KS 66202

**Attachments**

1. 5701 Merriam Drive Demolition Area
2. NESHAP Report
3. Bidder's Affidavit
4. City of Merriam Professional Services Agreement.

DRAFT

5701 Merriam Drive  
Demolition Area



This exhibit is for reference only. In the case of a discrepancy between this exhibit and the Request for Bids text, the text shall be the prevailing document.



## AGENDA ITEM INFORMATION FORM

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**AGENDA ITEM:** Consider approval of a resolution amending Section 6.02 of the Employee Handbook

**SUBMITTED BY:** Meredith Hauck, Assistant City Administrator

**MEETING DATE:** June 8, 2020

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### PROJECT BACKGROUND/DESCRIPTION:

The attached redline version of City of Merriam Employee Handbook Policy 6.02 that updates the policy related to providing discounted community center memberships to employees and retirees. Each year, a rate table for this benefit will be issued as part of the City's annual open enrollment process.

Additionally, retirees were added as an eligible group to receive discounted health and fitness courses.

Both discounted memberships and course fees are taxable benefits and will be reported appropriately through HR for both employees and retirees.

### CITY COUNCIL GOALS AND OBJECTIVES

Recruit and retain the best talent available within NE Johnson County.

### FINANCIAL IMPACT

**Amount of Request/Contract:** N/A

**Amount Budgeted:** N/A

**Funding Source/Account #:** N/A

### SUPPORTING DOCUMENTS

- Policy 6.02 – Redlined Version
- FY2020 Rate Table
- Resolution

### ACTION NEEDED/STAFF RECOMMENDATION

Motion to approve

# City of Merriam

## Employee Handbook

**Chapter Title:** Employee Benefits  
**Chapter Number:** 6  
**Section Title:** Miscellaneous Fringe Benefits  
**Section Number:** 6.02  
**Effective Date:** January 1, 2005  
**Revision Date:** June ~~2016~~2020

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### *Section 125 Flexible Spending Account*

The Section 125 Flexible Spending Account allows employees to pay certain unreimbursed medical and dependent daycare expenses with pre-tax income, thereby reducing the taxable income and increasing the employee's take home pay. Money is deducted from the employee's paycheck on a pre-tax basis, then reimbursed as used.

### *Health Savings Account (HSA)*

If an employee is enrolled in the City's high-deductible health plan (HDHP), an HSA helps plan, save and pay for health care expenses. The money contributed to an HSA is tax deductible, up to a legal limit; the savings grow tax free; and any money used to pay for qualified medical expenses is income-tax free. All contributions, either by the employee or employer, are fully vested, and unspent balances remain there until spent. There is no "use it or lose it" rule and the account is portable even if you change jobs.

If an employee chooses to contribute to an HSA, they may elect to have an amount deducted pre-tax from their paycheck and deposited directly into the HSA. Employer contributions, if any, are also deposited directly into the employee's HSA account.

### *401(a) Plan*

KPERS members are eligible to contribute either 0% or 3% to this pre-tax supplemental retirement plan on the first day of employment. The employee contribution is irrevocable throughout the employee's service with the City. The money contributed is invested in investment options selected by the employee. City contributions to the 401(a) plan may vary year to year, are subject to annual budgetary appropriations, and offset the difference between KP&F and KPERS employer contributions.

### *Deferred Compensation*

This is a voluntary program that allows employees to save pre-tax money for retirement. The money contributed is invested in investment options selected by the employee. Participation is open to any employee on the first day of employment. Employees may

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*This handbook and the personnel policies referenced do not constitute or imply a contract, agreement, promise or guarantee of employment or continued employment. The City reserves the right to change these policies at any time and without prior notice to employees.*

elect to participate, or to cease participation at any time. Employees contribute an amount they select which is deducted through payroll. Maximum contribution limits are set by IRS regulations. This deduction is exempt from federal taxes and Social Security but subject to state taxes.

#### *Employee Assistance Program*

The Employee Assistance Program provides confidential professional assistance to help employees and their family members resolve problems that affect their personal lives and/or job performance. Problems commonly handled include marital difficulties, parent-child relationships, alcoholism, drug addiction, and stress. The program includes up to eight free visits. The fee for the Employee Assistance Program is paid by the City. Call 1-800-EAP-1223 for confidential assistance.

#### *Tuition Reimbursement*

The City encourages employees to take advantage of educational and vocational courses which will improve job performance and prepare for promotional opportunities. Employees may be reimbursed for the cost of tuition up to \$2,500 per year provided the guidelines for reimbursement are met. See 6.03 for full policy.

#### *Community Center and Swimming Pool Memberships and Health/Fitness Programs*

Employees and retirees (as defined in Chapter 7.05) of the City and members of their household may utilize the Merriam Community Center at a discounted membership rate. The specific employee/retiree membership rates will be set annually as part of open enrollment. Employees are eligible to begin receiving this benefit the month following their hire or retirement and the benefit expires at the end of the month in which they are no longer an active employee (unless retired). Following an employee's hire, they must complete the requirements outlined in the annual Health and Wellness Incentive program to continue to be eligible to receive a discounted membership rate after December 31; this requirement does not apply to repeat seasonal employees or retirees. ~~take advantage of the fitness facilities at the Irene B. French Community Center and/or amenities at the Merriam Aquatic Center. The membership is free, although employees and retirees will need to purchase an ID card at a nominal fee for themselves and each participating family member.~~

In addition, employees and retirees may take health/fitness courses offered at the Community Center for a reduced fee. Please check with the Community Center for the most current list of applicable courses and their fees.

The value of ~~free/reduced~~the discounted membership and course costs are reported to the employee/retiree as additional compensation on Form W-2 or Form 1099 Misc. and are taxed at the time of payment.

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### *Community Center Room Rentals*

Community Center rooms are available for rental when not otherwise occupied by programs. Regular full-time and regular part-time employees may rent rooms for their personal use at the resident rental rate. Call the Community Center for availability and pricing information.

### *Clothing and Uniforms*

In some instances, the City may provide employee uniforms or clothing as needed or preferred by the City. Such uniforms or clothing will be classified as a taxable fringe benefit in accordance with federal and state tax law. A non-cash amount will be reported in employee wages and subject to appropriate tax withholdings.

### *Take-Home City Vehicles*

Departments may assign City vehicles for use by employees if necessary for the performance of job duties. City vehicles, other than “Qualified Non-Personal Use Vehicles” (as defined by the IRS), may be assigned to an employee only upon the written approval of his/her department director and the City Administrator and may be reviewed annually.

Take-home City vehicles are provided to the employee for business use only. Personal use is prohibited except for commuting between the employee’s home and work locations. However, *de minimis* use, such as a small personal detour is permitted. Commuting in a take-home City vehicle is personal use and will be classified as a taxable fringe benefit in accordance with federal and state tax law. A non-cash amount will be reported in employee wages and subject to appropriate tax withholdings.

Commuting in a “Qualified Non-Personal Use Vehicle” by a sworn police officer is not considered a taxable fringe benefit.

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## FY20 Merriam Community Center Rates - Employees + Retirees

	Employees				Retirees			
	Total	ER	EE	Per Pay Period	Total	ER	EE	Monthly
Household	\$ 660.00	\$ 400.00	\$ 260.00	\$ 10.83	\$ 660.00	\$ 400.00	\$ 260.00	\$ 21.67
Two-Person Household	\$ 595.00	\$ 400.00	\$ 195.00	\$ 8.13	\$ 595.00	\$ 400.00	\$ 195.00	\$ 16.25
Senior Household	\$ 530.00	\$ 400.00	\$ 130.00	\$ 5.42	\$ 530.00	\$ 400.00	\$ 130.00	\$ 10.83
<b>Adult</b>	<b>\$ 400.00</b>	<b>\$ 400.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400.00</b>	<b>\$ 400.00</b>	<b>\$ -</b>	<b>\$ -</b>
Senior	\$ 330.00	\$ 330.00	\$ -	\$ -	\$ 330.00	\$ 330.00	\$ -	\$ -
Youth	\$ 330.00	\$ 330.00	\$ -	\$ -	N/A	N/A	N/A	N/A
Additional Dependents	\$ 110.00	\$ -	\$ 110.00	\$ 4.58	\$ 110.00	\$ -	\$ 110.00	\$ 9.17

Base

### Notes

Employees pay through payroll deduction for 24 pay periods  
 Retirees pay directly to community center monthly or annually

**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION ADOPTING AN AMENDMENT TO THE "EMPLOYEE HANDBOOK OF MERRIAM, KANSAS" PURSUANT TO SECTION 2-60 OF THE CODE OF ORDINANCES OF THE CITY OF MERRIAM, KANSAS.

WHEREAS, Section 2-60 of the Code of Ordinances provides that the "Employee Handbook of Merriam, Kansas" be adopted for the purpose of establishing personnel rules and regulations for the City;

WHEREAS, Section 2-60 further provides that such rules and regulations may be amended from time to time by resolution; and

WHEREAS, the Governing Body determines that it is advisable to amend said rules and regulations.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF MERRIAM, KANSAS THAT:**

**Section 1. Amendment.** Section 6.02, Miscellaneous Fringe Benefits, of the Employee Handbook of Merriam, Kansas is hereby amended to read as set forth in Exhibit 1, attached hereto and incorporated herein by reference.

**Section 2. Repeal.** Section 6.02, of the Employee Handbook of Merriam, Kansas, as such sections existed prior to the amendments set forth herein, is hereby repealed.

**Section 3. Official Copy.** In accordance with Section 2-60 of the Merriam Code, each "Official Copy" of the Employee Handbook of Merriam, Kansas on file with the City Clerk and each official department copy of said handbook, shall be updated to include the amendment adopted hereby.

**Section 4. Effective Date.** This Resolution and the amendment to the Employee Handbook of Merriam, Kansas" set forth herein shall take effect upon such adoption by the Governing Body.

ADOPTED by the Governing Body this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Ken Sissom, Mayor

(SEAL)

ATTEST:

\_\_\_\_\_  
Juliana Pinnick, City Clerk



# **New Merriam Community Center City Council Update**

**June 8, 2020**

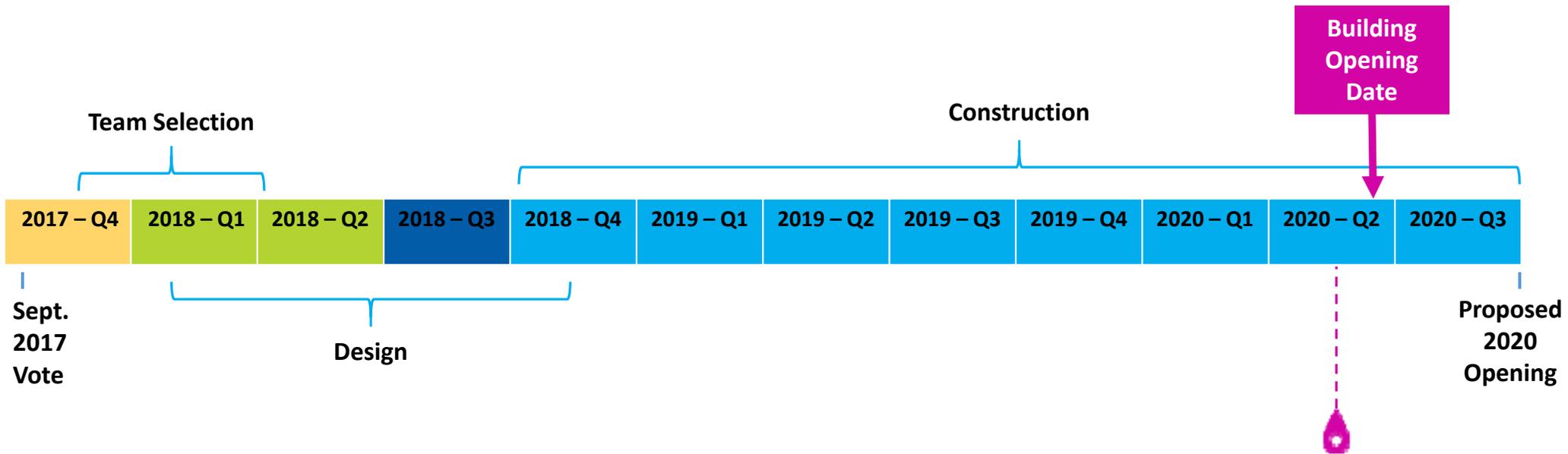




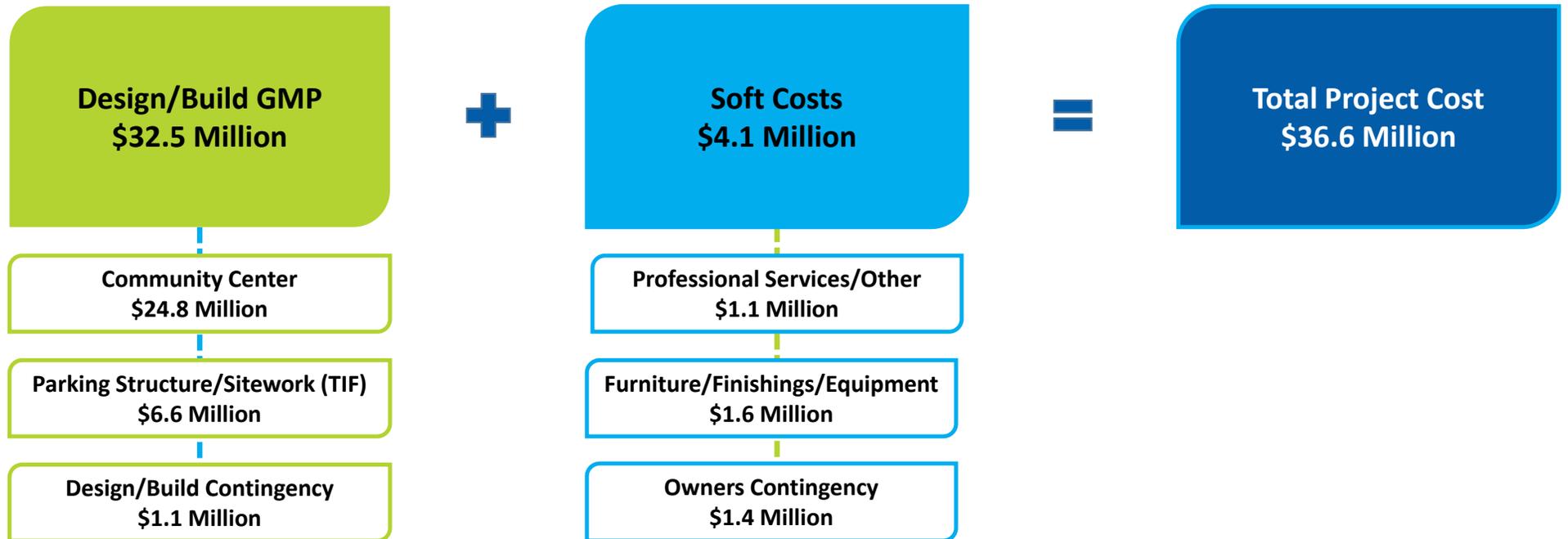
**1<sup>st</sup> Meeting  
of the Month**

**City Council Project Updates  
(Available on the Website tomorrow!)**

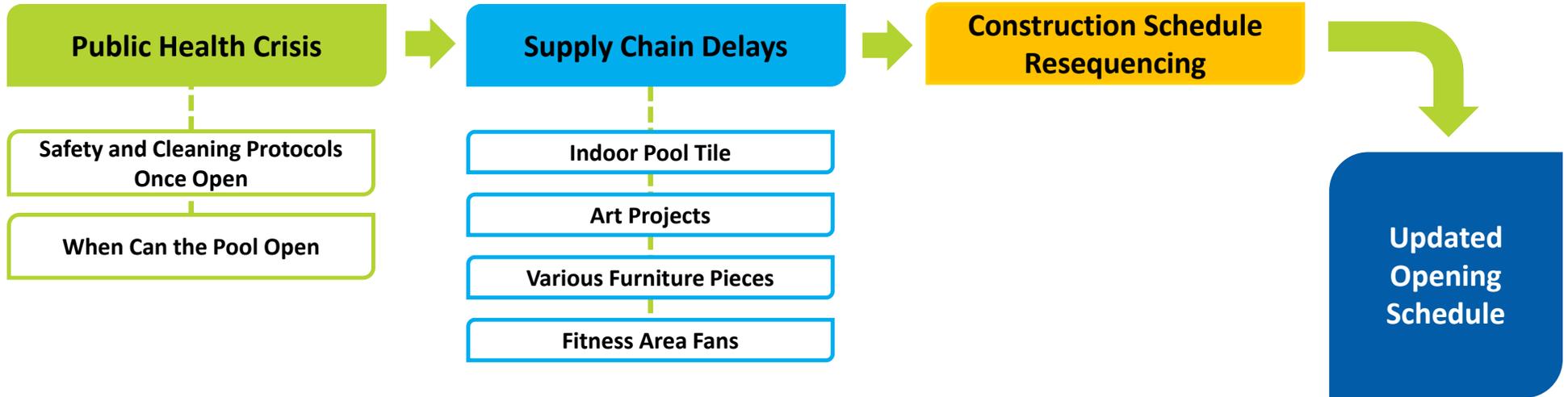
# PROJECT SCHEDULE



# BUDGET UPDATE



# C-19 KEY IMPACTS



# UPDATED OPENING SCHEDULE

June 1	Part-Time/Seasonal Employee Orientation Begins
June 8	Equipment Delivery to MCC Begins
June 15	Move-In Begins
June 22	Staff Training in Building Begins + Facility Tours Available to the Public
June 28	Flag Lowering Ceremony at IBFCC
June 29	Flag Raising Ceremony at MCC + Building Soft Opens to Charter Members*
July 4	Building Opens to the Public*
September 5	Indoor Pool Opens to the Public**

\* Outdoor Pool Opening Contingent on Ad Astra Opening Plan

\*\* Current Anticipated Opening Date



# INDOOR POOL OPENING CONSIDERATIONS

- COVID-19 Delay on Pool Tile
- This feature will be closed when the building opens – anticipated opening date is Labor Day Weekend

# OUTDOOR POOL OPENING CONSIDERATIONS

## KRPA Guidelines for Reopening Outdoor Pools

- Limited Capacity and Physical Distancing Guidelines
- PPE Use Encouraged

PHASE 3	
Ratios & Groups	Each activity zone would not exceed mass gatherings of 45. The mass gathering limit refers to the patrons who cannot social distance.
Square Feet/ % of Licensed Capacity	36 sq. ft. per person represents social distancing.
Sanitation & Cleaning	Enhanced cleaning schedule including frequent checks of facility based on usage. Follow CDC guidelines for cleaning. Provide cleaning stations in every activity zone.
Equipment	Clean and disinfect all staff equipment after each use. Items such as lounge chairs and toys should be limited and spaced to comply with social distancing and frequent sanitation procedures implemented.
Minimizing Physical Contact	All employees are encouraged to wear PPE* and wash their hands frequently. Patrons are encouraged to wear PPE when it's safe and/or comfortable to do so and take a head to toe cleansing shower prior to entering the pool area. (*This does not apply to on-duty lifeguards)
Hygiene	All employees are encouraged to wear PPE* and wash their hands frequently. Patrons are encouraged to wear PPE when it's safe and/or comfortable to do so and take a head to toe cleansing shower prior to entering the pool area. (*This does not apply to on-duty lifeguards)
Check-in/ Check-out Procedures	The use of touch pads or sign in sheets should not be used. Utilize staff to sign in and out all users. Provide barriers for staff when possible. Use electronic payment as much as possible.
Programming	For swimming lessons, family units need to be utilized until children are water competent and eliminate partner workouts, sharing equipment, etc.
Food & Beverages	All staff will follow KDHE Guidelines.
Signage	Signage will be displayed encouraging hand washing/healthy practices, social distancing, and describing what rule adjustments have been made. Staff should be empowered to enforce. One-way signage and/or tape should be used to limit patrons interactions. Restricting touching surfaces as much as possible.
Restrooms/Locker Rooms	Enhanced cleaning schedule including frequent checks of facility based on usage. Follow CDC guidelines for cleaning.

## Merriam Plan

- Open during “Phase Out” of the Ad Astra Plan (no restrictions in KRPA Guidelines)
- Current phase movement could likely mean that Phase Out aligns with the building completion
- Lifeguards are hired and will be trained so they are ready to open the pool upon entering Phase Out



# PROPOSED MEMBERSHIP DISCOUNTS

## CHARTER ANNUAL MEMBERSHIPS

- Charter Membership will be on sale through Labor Day. Any annual membership purchased until then will be a charter membership.
- Charter Members will have access to the building beginning June 29, but their membership will not begin until September 7, or whenever the indoor pool opens to the public.\*\* This means they could potentially get a 14 month membership for the price of 10 months.

## MONTHLY MEMBERSHIPS

- Monthly memberships are available to purchase now and would begin July 4.
- Monthly memberships will be discounted 50% for the months of July and August, or until the indoor pool opens to the public\*\*. This essentially means that for the summer, monthly members would buy a month and get a month for free.
- **SUMMER-ONLY MEMBERSHIPS** will not be available in 2020, but members can set an expiration date on their monthly membership during sign up.
- **DAY PASSES** will only be available to Merriam residents to purchase through Labor Day.



**MERRIAM**

# PROPOSED MEMBERSHIP DISCOUNTS

## RESIDENT

Membership	Monthly	Discounted Monthly	Annual	Charter Annual
Household	\$60	\$30	\$660	\$540
Two-Person Household	\$55	\$27.50	\$595	\$490
Senior Household	\$50	\$25	\$530	\$430
Adult	\$40	\$20	\$400	\$325
Senior	\$30	\$15	\$330	\$270
Youth	\$30	\$15	\$330	\$270
Add. Dependent	\$10	\$5	\$110	\$90

## NON-RESIDENT

Membership	Monthly	Discounted Monthly	Annual	Charter Annual
Household	\$75	\$37.50	\$825	\$675
Two-Person Household	\$70	\$35	\$745	\$610
Senior Household	\$60	\$30	\$660	\$540
Adult	\$45	\$22.50	\$495	\$405
Senior	\$40	\$20	\$415	\$340
Youth	\$40	\$20	\$415	\$340
Add. Dependent	\$13	\$6.50	\$140	\$115

Monthly, Annual and Charter Annual Rates have already been approved by the Council.  
The Discounted Monthly Rate is 50% off the approved Monthly rate.



# STAY UP TO DATE!



## City Council Meetings

Project update on the second Monday of the month



## Building Community Website

View updates at [www.merriam.org/buildingcommunity](http://www.merriam.org/buildingcommunity)

CITY OF MERRIAM, KANSAS

# MONTHLY FINANCIAL REPORT

Finance Department



**City of Merriam, KS**  
**Monthly Financial Report - Executive Summary**  
**April 2020**

**Revenues**

	Current Month Actual	YTD Actual	YTD Budget/Est	Over/(Under) YTD Budget/Est
Various Funds:				
1% City Sales Tax	\$ 615,285	\$ 1,174,674	\$ 1,175,235	\$ (561)
1/4% City Sales Tax-Storm/Street	159,735	299,877	305,846	(5,969)
1/4% City Sales Tax-Rec. Facilities	159,735	299,877	305,846	(5,969)
City Use Tax	59,689	138,993	108,000	30,993
County Sales Taxes - All	156,265	309,099	344,667	(35,568)
Real Property Taxes - Gen Fund	\$ -	\$ 2,445,051	\$ 2,451,649.00	\$ (6,598)
Transient Guest Tax	-	-	-	-
Franchise Fees	73,945	415,162	472,667	(57,505)
Court Fines	30,411	267,540	300,000	(32,460)

**Expenditures**

<i>General Fund - only:</i>	Current Mo. Actual	Monthly Bud/Est	Over/(Under) Bud/Est	Year to Date Actual	Year to Date Bud/Est	Over/(Under) YTD Bud/Est
Salaries and Benefits	\$ 603,101	\$ 776,147	\$ (173,046)	\$ 2,819,403	\$ 3,104,590	\$ (285,186)
Contractual Services:						
OP Fire Services	-	226,246	(226,246)	-	904,982	(904,982)
Utilities	30,032	48,072	(18,040)	99,360	192,287	(92,927)
Legal	-	8,333	(8,333)	8,829	33,333	(24,505)
Property Maint	36,562	58,592	(22,029)	214,272	234,366	(20,094)
Specific Contractual*	22,305	29,640	(7,335)	68,509	118,562	(50,053)
Other Contractual	27,861	78,420	(50,559)	139,240	313,681	(174,441)
Commodities:						
Gasoline/Diesel Fuel	4,731	12,502	(7,771)	19,600	50,007	(30,407)
Other Commodities	29,179	50,530	(21,350)	114,927	202,118	(87,191)

\*Specific Contractual includes: specific ongoing outside contractors (Judge, Prosecutor, Auditor, prisoner care, Information Services, legislative monitor, payroll processing, and animal care). The City Attorney is included under the Legal line item.

Comments:

- Year-to-date 1% and ¼% City sales taxes are 0.70% (\$12,499) less than 2020 budget estimates.
- Year-to-date 1% and ¼% City sales taxes are 24.60% (\$379,879) more than prior year actual.
  - Auto sales are 22.90% more than prior year actual.
  - Merriam Town Center/Johnson Drive sales are 2.79% less than prior year actual.
  - Other categories are 56.86% more than prior year actual.
- Transient Guest Tax collections for 1<sup>st</sup> quarter 2020, in the amount of \$92,143 will be received in May.
- Overland Park Fire Services invoice for 1<sup>st</sup> quarter 2020 will be paid in May.

**City of Merriam, KS**  
**Monthly Financial Report - Executive Summary**  
**April 2020**

**Equipment Purchases >\$5,000**

<b>Month</b>	<b>Description</b>	<b>Amount</b>
January	City Hall – partial payment for carpet replacement	\$49,870
	Public Works – tire changer equipment	\$12,620
February	City Hall – final payment for carpet replacement	\$25,792
	Fire – prepayment for 2020 Pierce Velocity pumper truck	\$716,272
March	None	\$0
April	Public Works – traffic signal backup system	\$8,300

**Cash and Investment Balances**

FHLB = Federal Home Loan Bank	\$ 13,056,000	34%
FHLMC = Federal Home Loan Mortgage Corp.	4,500,000	12%
FNMA = Federal National Mortgage Assn.	1,300,000	3%
FFCB = Federal Farm Credit Bank	6,700,000	17%
US Treasury Bills	2,875,000	7%
Municipal Bonds	785,000	2%
Bank of Blue Valley NOW Account	5,706,451	15%
TD Ameritrade MMA	753,124	2%
Total Investments	<u>35,675,575</u>	92%
US Bank Cash Account	3,014,036	8%
Total Cash plus Investments	<u><u>\$ 38,689,611</u></u>	100%

**City of Merriam, KS**  
**Monthly Financial Report - Executive Summary**  
**April 2020**

**FAQ's**

*Question:* What is the City Sales Tax rate effective January 1, 2020?

*Answer:* **9.475%** (6.500% to the State of Kansas; 1.475% to Johnson County; 1.50% to Merriam)

*Question:* How much does the City owe for general obligation bonds?

*Answer:* **\$2,195,000** is the current balance for the Series 2012 and **\$17,190,000** for Series 2018.

*Question:* What is the City's bond rating?

*Answer:* S & P Global Ratings rates the City's debt as "**AAA (Stable)**"

*Question:* What is the City's current mill levy?

*Answer:* **27.765 mills** (2019 levy supporting 2020 budgets)

*Question:* What is the City's assessed property valuation?

*Answer:* **\$205 million** per Johnson County Clerk as of June 1, 2019

*Question:* How much of the City's assessed property valuation is for Residential, Commercial, and Other?

*Answer:* **\$86 million** or 42% for Residential (including apartments);  
**\$112 million** or 55% for Commercial;  
**\$7 million** or 3% for Other (including vacant land, personal property, utilities)

*Question:* How many households are in the City?

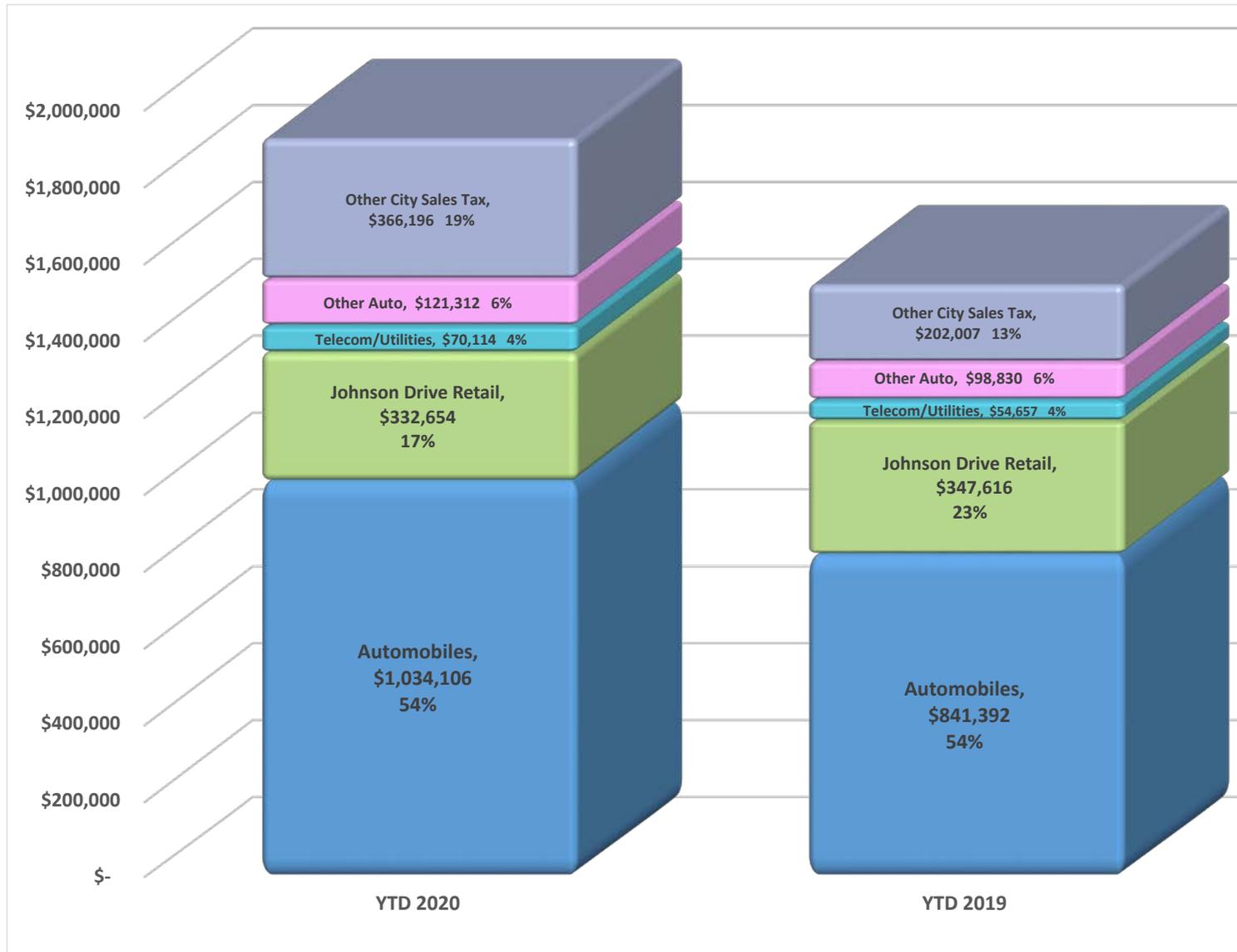
*Answer:* **5,224 households** (homes and apartments) per the 2010 U.S. Census Bureau

*Question:* What is the City's "pull factor" and what does this mean?

*Answer:* **4.50** is the City's pull factor per the Kansas Department of Revenue (December 2019 report). The term refers to how many non-residents a community "pulls" for shopping purposes. A pull factor greater than 1.00 indicates the community attracts more retail sales than it loses when residents shop outside the city. Merriam's is currently the highest in the State of Kansas.

# City of Merriam Sales Tax Comparison - 1.50%

YTD 2020 vs 2019



**CITY SALES & USE TAXES \***  
**(Regular 1.50% effective Jan. 1, 2018, 1.25% prior years)**

**Through: April 2020**

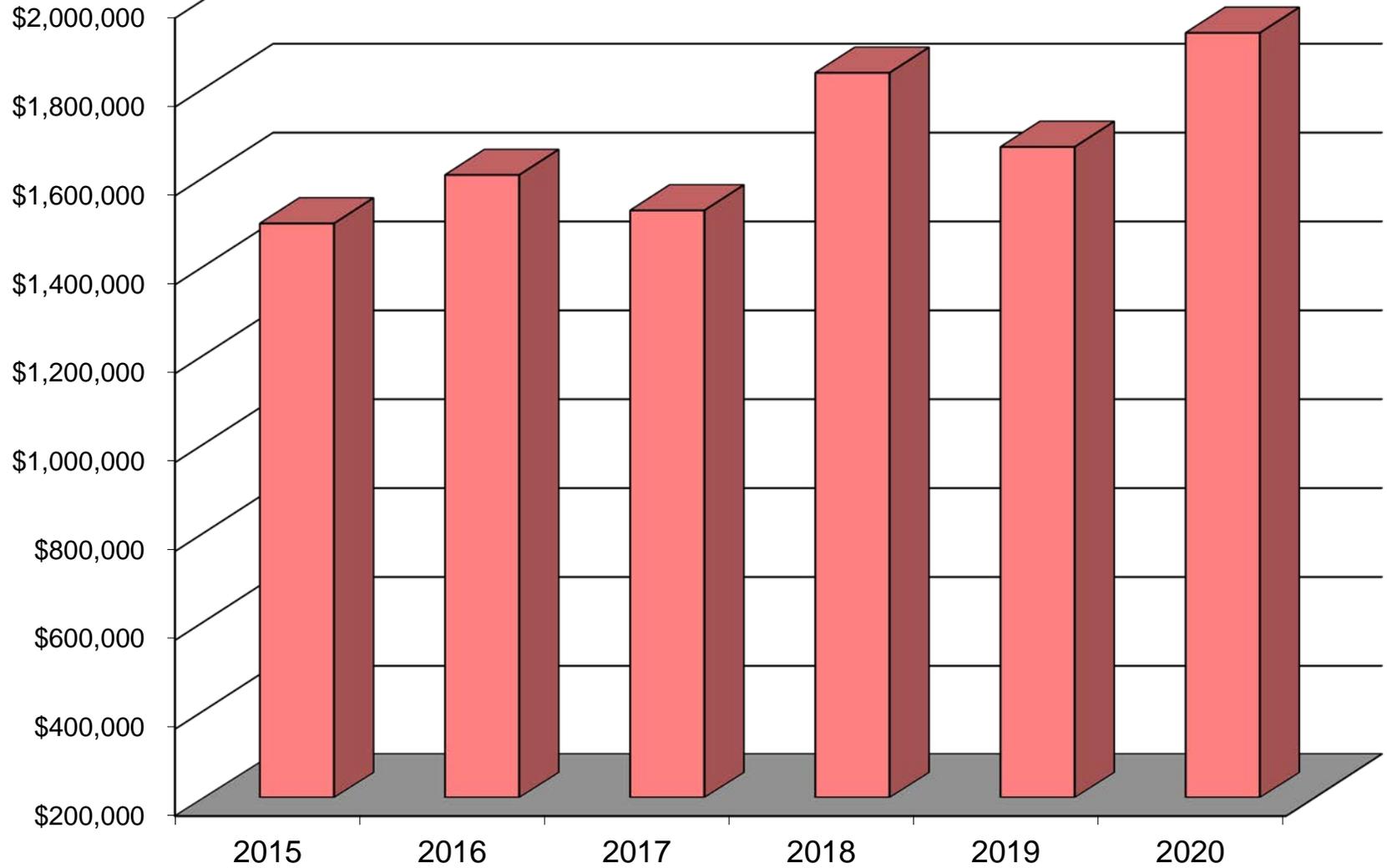
Month							Comparison	Average
Collected/Received	2015	2016	2017	2018	2019	2020	2019 and 2020	2015-2019
Jan/Mar	765,910	831,320	786,301	849,645	852,037	929,937	77,900	817,043
Feb/Apr	729,500	773,150	738,462	984,697	815,595	994,443	178,848	808,281
Mar/May	870,039	858,854	868,780	997,674	1,014,294			921,928
Apr/Jun	797,873	796,692	750,690	1,079,168	979,825			880,849
May/Jul	883,727	931,163	858,245	1,025,175	1,127,238			965,110
Jun/Aug	851,691	865,511	895,143	1,088,415	981,803			936,512
Jul/Sep	969,616	927,803	911,673	1,028,566	1,156,685			998,869
Aug/Oct	882,690	923,896	909,599	1,093,553	1,156,528			993,253
Sep/Nov	824,964	863,243	829,752	898,941	1,092,707			901,921
Oct/Dec	843,995	819,791	887,153	978,915	1,030,482			912,067
Nov/Jan	772,120	844,545	815,416	947,857	1,041,482			884,284
Dec/Feb	752,128	943,732	868,102	966,502	1,043,210			914,735
<b>Total</b>	<b>9,944,253</b>	<b>10,379,700</b>	<b>10,119,316</b>	<b>11,939,108</b>	<b>12,291,885</b>	<b>1,924,381</b>	<b>256,748</b>	<b>10,934,852</b>
<b>YTD</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>		
April 2020	1,495,410	1,604,470	1,524,764	1,834,342	1,667,632	1,924,381		

Average Collections Between 2015-2019	\$ 10,934,852
Budgeted 2020	11,369,562
Estimate Based on Current Collection Rate	11,546,284
Over/(Under) at Current Collection Rate	\$ 176,722

\* Kansas imposes a use tax on items purchased outside of Kansas for use in Kansas. The rate is identical to the sales tax rate in effect where the customer takes delivery.

# 1.50% City Sales & Use Tax Year to Date Comparison 2015-2020

(1.50% effective Jan. 1, 2018, 1.25% prior years)



**JOHNSON COUNTY SALES/USE TAX AND PUBLIC SAFETY TAXES \***  
**(Total City Share is 1.25%)**

**Through: April 2020**

Month Collected/Received	2015	2016	2017	2018	2019	2020	Comparison 2019 and 2020	Average 2015-2019
Jan/Mar	133,617	130,730	132,558	164,426	147,949	152,833	4,885	141,856
Feb/Apr	125,764	129,905	136,333	149,591	148,168	156,265	8,097	137,952
Mar/May	138,507	145,445	148,999	178,476	167,514			155,788
Apr/Jun	140,620	141,130	157,071	171,127	165,807			155,151
May/Jul	142,876	136,074	168,652	179,056	182,514			161,835
Jun/Aug	151,260	150,786	181,983	185,132	176,338			169,100
Jul/Sep	148,744	150,089	172,667	166,088	181,055			163,729
Aug/Oct	145,684	148,762	176,915	175,932	178,013			165,061
Sep/Nov	146,413	152,714	180,671	164,596	178,770			164,633
Oct/Dec	145,100	140,607	165,159	163,132	176,796			158,159
Nov/Jan	145,355	142,131	171,494	183,409	177,798			164,037
Dec/Feb	155,653	172,005	196,607	189,838	194,792			181,779
<b>Total</b>	<b>1,719,594</b>	<b>1,740,379</b>	<b>1,989,108</b>	<b>2,070,804</b>	<b>2,075,514</b>	<b>309,099</b>	<b>12,982</b>	<b>1,919,080</b>
<b>YTD</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>		
April 2020	259,381	260,635	268,891	314,016	296,117	309,099		

Average Collections Between 2015-2019	\$ 1,919,080
Budgeted 2020	2,068,000
Estimate Based on Current Collection Rate	1,854,592
Over/(Under) at Current Collection Rate	\$ (213,408)

\* The County special "courthouse" 0.25% tax, effective April 1, 2017, will expire March 31, 2027. All other County taxes have no sunset date.

**April 2020  
REVENUE SUMMARY BY FUND**

<b>Fund Number</b>	<b>Revenues</b>	<b>Budget/Est.</b>	<b>YTD Actual</b>	<b>Monthly Collections</b>	<b>Balance</b>	<b>YTD % Budget/Est.</b>
<b>001</b>	General Fund	\$ 18,456,755	\$ 5,148,358	\$ 967,097	\$ 13,308,397	27.89%
<b>201</b>	Special Highway Fund	305,780	2,159	359	303,621	0.71%
<b>202</b>	Special Alcohol Fund	24,000	6,436	(13)	17,564	26.82%
<b>203</b>	Special Park & Rec	24,000	6,742	28	17,258	28.09%
<b>204</b>	Transient Guest Tax	474,150	27,934	841	446,216	5.89%
<b>221</b>	Risk Management Reserve	15,000	17,716	979	(2,716)	118.11%
<b>222</b>	Equipment Reserve Fund	940,000	277,976	78,901	662,024	29.57%
<b>301</b>	Capital Improvement Fund		1,848,846	526,329		
<b>303</b>	I-35 District CIP Fund		13,056	(804)		
<b>401</b>	Bond and Interest Fund	3,227,555	413,469	161,077	2,814,086	12.81%
<b>403</b>	TIFB-I35 District		2,361,210	-		
<b>702</b>	Special Law Enforcement-State/Local		4,770	-		
<b>TOTAL</b>		<b>\$ 23,467,240</b>	<b>\$ 10,128,673</b>	<b>\$ 1,734,795</b>	<b>\$ 17,566,450</b>	

<b>Average Rate of Sales Tax Collections Should Be:</b>	<b>16.67%</b>
<b>Average Rate of Other Collections Should Be:</b>	<b>33.33%</b>

**April 2020  
EXPENDITURE SUMMARY BY FUND**

<b>Fund Number</b>	<b>Expenditures</b>	<b>Budget/Est. *</b>	<b>YTD Actual</b>	<b>Monthly Expenditures</b>	<b>Encumbrances</b>	<b>Balance</b>	<b>YTD % Budget/Est.</b>
001	General Fund	\$ 20,114,856	\$ 5,217,828	\$ 1,187,080	\$ 612,191	\$ 14,284,837	28.98%
201	Special Highway Fund	390,000	243	115	350,000	39,757	89.81%
202	Special Alcohol Fund	25,000	17,096	-	-	7,904	68.38%
203	Special Park & Rec	49,000	3,565	-	-	45,435	7.28%
204	Transient Guest Tax	625,927	149,324	29,736	5,104	471,499	24.67%
221	Risk Management Reserve	30,000	28,587	-	-	1,413	95.29%
222	Equipment Reserve Fund	1,489,213	770,150	-	114,472	604,592	59.40%
301	Capital Improvement Fund		4,739,030	1,939,629	2,905,759		
303	I-35 District CIP Fund		5,096	95,216	-		
401	Bond and Interest Fund	3,208,125	449,063	449,063	-	2,759,063	14.00%
403	TIFB-I35 District		1,226,530	(449,063)	-		
702	Special Law Enforcement-State/Local		7,685	-	-		
<b>TOTAL</b>		<b>\$ 25,932,121</b>	<b>\$ 12,614,197</b>	<b>\$ 3,251,777</b>	<b>\$ 3,987,526</b>	<b>\$ 18,214,498</b>	

<b>Average Expenditure Rate Should Be:</b>	<b>33.33%</b>
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\* Excludes budgeted reserves and contingencies

**April 2020**  
**EXPENDITURE SUMMARY BY DEPARTMENT**  
**GENERAL FUND - YEAR-TO-DATE**

<u>Department</u>	<u>2020</u>			<u>2019</u>	<u>Actual 2019</u>
	<u>Annual Budget/Est.</u>	<u>Year-to-date Actual</u>	<u>% of Budget Used</u>	<u>Year-to-date Actual</u>	<u>Over/(Under) Actual 2018</u>
City Council	\$ 85,657	\$ 31,266	36.50%	\$ 23,589	\$ 7,677
Administration	1,166,278	413,781	35.48%	409,007	4,774
Municipal Court	381,248	107,693	28.25%	116,057	(8,364)
Info Services	530,303	162,586	30.66%	138,951	23,635
General Overhead					
General	312,170	102,654	32.88%	116,159	(13,506)
Utilities	285,500	66,197	23.19%	52,432	13,765
Property Maintenance	270,660	80,121	29.60%	52,057	28,064
Risk Management	195,327	-	0.00%	-	-
Legal	106,910	10,260	9.60%	17,899	(7,639)
Employee Benefits	56,150	7,662	13.65%	8,712	(1,050)
Interfund Transfers	4,537,706	1,706,943	37.62%	1,508,229	198,715
Contingency Usage *	-	-	0.00%	-	-
Police	4,280,552	1,313,683	30.69%	1,440,933	(127,250)
Fire	2,838,973	(11,383)	-0.40%	(18,920)	7,537
Public Works	2,583,833	640,235	24.78%	774,229	(133,995)
Parks & Rec	125,300	43,363	34.61%	226,797	(183,433)
Parks & Rec - New CC	1,545,556	285,126	18.45%	-	285,126
Aquatic Center	-	-	0.00%	2,000	(2,000)
Community Dev	803,988	257,641	32.05%	264,944	(7,303)
Total General Fund	<u>\$ 20,106,111</u>	<u>\$ 5,217,828</u>	<u>25.95%</u>	<u>\$ 5,133,074</u>	<u>\$ 84,755</u>

<b>Average Expenditure Rate Should Be:</b>	<b>33.33%</b>
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\* Excludes budgeted reserves and contingencies

A large, stylized number '7' is the central graphic. The top and bottom strokes are light yellow. A blue horizontal bar crosses the middle, containing the text 'INVESTMENT REPORT'. Below this bar is a decorative horizontal band with a repeating pattern of triangles in shades of orange and yellow. The right side of the '7' tapers to a point.

# INVESTMENT REPORT

**Investment Listing by Maturity Date  
4/30/2020**

<b>Fund</b>	<b>Type</b>	<b>Location</b>	<b>Purchase Date</b>	<b>Par Amount</b>	<b>Maturity Date</b>	<b>Yield</b>	<b>Monthly Subtotal</b>
303/901	NOW	Bank of Blue Valley	12/20/06	5,706,451	N/A	1.250%	\$ 5,706,451
301/901	Treasury MMA	TD Ameritrade	09/01/16	753,124	N/A	0.010%	\$ 753,124
301	AGENCY-FHLB	TD Ameritrade	03/16/20	1,671,000	06/10/20	2.560%	
301	AGENCY-FHLB	TD Ameritrade	11/08/18	500,000	06/12/20	2.910%	
303	TBILL	Country Club	02/18/20	450,000	06/18/20	1.500%	
222	TBILL	Country Club	02/18/20	150,000	06/18/20	1.500%	\$ 2,771,000
301	MUNICIPAL BOND	TD Ameritrade	10/10/17	100,000	08/01/20	1.870%	
301	MUNICIPAL BOND	TD Ameritrade	04/09/20	100,000	08/01/20	1.203%	
301	TBILL	TD Ameritrade	12/31/19	1,000,000	08/15/20	1.598%	\$ 1,200,000
301	MUNICIPAL BOND	TD Ameritrade	03/19/20	585,000	09/01/20	1.650%	
301	TBILL	TD Ameritrade	12/31/19	1,000,000	09/15/20	1.589%	\$ 1,585,000
301	AGENCY-FFCB	Country Club	03/08/19	400,000	10/26/20	2.490%	
301	AGENCY-FHLB	TD Ameritrade	02/01/17	100,000	10/30/20	1.800%	\$ 500,000
301	AGENCY-FHLB	Country Club	10/28/19	300,000	12/11/20	1.589%	
301	AGENCY-FHLB	TD Ameritrade	01/27/20	2,000,000	12/11/20	1.530%	
301	AGENCY-FFCB	TD Ameritrade	12/23/19	800,000	12/23/20	1.650%	
222	AGENCY-FNMA	Country Club	09/26/19	300,000	12/28/20	1.620%	
303	AGENCY-FHLB	TD Ameritrade	04/09/20	400,000	12/29/20	0.356%	
301	AGENCY-FHLB	TD Ameritrade	04/09/20	600,000	12/29/20	0.356%	\$ 4,400,000
301	AGENCY-FHLB	Country Club	04/09/20	500,000	01/08/21	0.250%	
301	AGENCY-FHLB	Country Club	04/24/20	325,000	01/08/21	0.250%	
222	AGENCY-FHLB	Country Club	04/24/20	325,000	01/08/21	0.250%	\$ 1,150,000
901	AGENCY-FHLMC	TD Ameritrade	03/14/17	500,000	02/26/21	1.356%	
301	TBILL	Country Club	01/30/20	275,000	02/28/21	1.417%	\$ 775,000
301	AGENCY-FHLB	TD Ameritrade	01/24/20	1,000,000	03/12/21	1.550%	\$ 1,000,000
901	AGENCY-FHLB	TD Ameritrade	03/14/18	250,000	06/14/21	2.509%	\$ 250,000
301	AGENCY-FNMA	Country Club	07/29/19	500,000	08/17/21	1.797%	\$ 500,000
301	AGENCY-FNMA	Country Club	07/29/19	500,000	09/08/21	1.862%	\$ 500,000
301	AGENCY-FFCB	TD Ameritrade	02/26/20	1,000,000	11/26/21	1.530%	
301	AGENCY-FHLMC	TD Ameritrade	11/26/19	1,000,000	11/26/21	1.750%	\$ 2,000,000
303	AGENCY-FHLB	TD Ameritrade	02/18/20	340,000	12/10/21	1.400%	
301	AGENCY-FHLB	TD Ameritrade	02/18/20	245,000	12/10/21	1.400%	
301	AGENCY-FFCB	TD Ameritrade	03/12/20	1,000,000	12/16/21	0.830%	
301	AGENCY-FFCB	TD Ameritrade	03/19/20	1,000,000	12/16/21	0.874%	
301	AGENCY-FHLB	TD Ameritrade	12/31/19	2,500,000	12/30/21	1.713%	\$ 5,085,000
303	AGENCY-FHLMC	TD Ameritrade	01/27/20	1,000,000	01/28/22	1.625%	
901	AGENCY-FHLMC	TD Ameritrade	01/30/20	1,000,000	01/28/22	1.600%	
301	AGENCY-FHLMC	TD Ameritrade	01/30/20	1,000,000	01/28/22	1.600%	\$ 3,000,000
301	AGENCY-FFCB	TD Ameritrade	02/06/20	2,000,000	02/04/22	1.618%	\$ 2,000,000
301/303	AGENCY-FHLB	TD Ameritrade	03/16/20	1,000,000	03/24/22	1.000%	
301	AGENCY-FHLB	TD Ameritrade	03/30/20	1,000,000	03/30/22	0.940%	\$ 2,000,000

**Investment Listing by Maturity Date  
4/30/2020**

<b>Fund</b>	<b>Type</b>	<b>Location</b>	<b>Purchase Date</b>	<b>Par Amount</b>	<b>Maturity Date</b>	<b>Yield</b>	<b>Monthly Subtotal</b>
221	AGENCY-FFCB	Country Club	01/30/20	350,000	01/23/23	1.441%	
301	AGENCY-FFCB	Country Club	01/30/20	150,000	01/23/23	1.441%	\$ 500,000
					Weighted Yield	1.237%	<u>\$ 35,675,575</u>



## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Authorize final payment to Phoenix Concrete LLC in the amount of \$22,090.24 and authorize acceptance of the 2019 Sidewalk In-Fill Phase 3.

**SUBMITTED BY:** Jim MacDonald, Public Works Director

**MEETING DATE:** June 8, 2020

### PROJECT BACKGROUND/DESCRIPTION:

Phoenix Concrete has completed the construction improvements for the 2019 Sidewalk In-Fill, staff is requesting an approval to issue the final payment of \$22,090.24. With this final payment the total construction expenditure will be \$301,577.86, we are \$12,184.56 over the original construction contract amount however, we are under the original budgeted amount. The contract overrun of \$12,184.56 is due to actual placed quantities being more than plan quantities.

An explanation of overruns;

- 1) Several residents requested sidewalks be placed back of curb along their properties, increasing square footage.
- 2) Due to the topography of several properties, and to improve the finished yard slopes of these properties, curbs were placed along sidewalks.
- 3) Staff identified and replaced substandard curbs at several properties, and additional curb footage was replaced at ADA Ramp locations.
- 4) Lengths of several driveways, and a few additional driveway approaches were replaced to eliminate an extra joint along with providing a better transition from driveway to sidewalk.

Approval of this final payment denotes the City's acceptance of the project and triggers the two-year maintenance warranty period.

### CITY COUNCIL GOALS AND OBJECTIVES

3.2 Sustain capital improvement efforts.

### FINANCIAL IMPACT

<b>Amount of Contract:</b>	\$289,393.30
<b>Amount Budgeted:</b>	\$500,000 construction
<b>Funding Source/Account #:</b>	General CIP Fund/301-0000-511-45.10, Project No. GM1704

### SUPPORTING DOCUMENTS

### ACTION NEEDED/STAFF RECOMMENDATION

Council authorize the final payment to Phoenix Concrete, LLC in the amount of \$22,090.24.



## INTEROFFICE MEMORANDUM

**TO:** MAYOR AND CITY COUNCIL  
**FROM:** JIM MACDONALD, PUBLIC WORKS DIRECTOR  
**SUBJECT:** JUNE CIP UPDATE  
**DATE:** JUNE 8, 2020

### HIGHLIGHTS

#### **2019 Sidewalk In-Fill**

- Contractor has completed all work.
- Staff requesting authorization for final payment.

#### **2020 Street & Storm Drainage - Johnson Dr. (BNSF to East City Limits)**

##### **Mastin St. Improvements (Johnson Drive to Shawnee Mission Parkway)**

- Kansas Heavy Construction (KHC) continues replacing storm drains on Mastin.
- KHC is working with SMSD for the relocation of the fire suppression line at Merriam Park Elementary.
- Curbs and ADA ramps on 65<sup>th</sup> St. east of East Frontage Rd. have been replaced.
- Curb replacement on Mastin is anticipated to begin June 8<sup>th</sup>.
- Current Construction Schedule has mill and overlay for Mastin/65<sup>th</sup> St. starting the week of June 28<sup>th</sup>.
- WaterOne is anticipating to be complete with their work on Johnson Dr. by June 5<sup>th</sup>.
- KHC is anticipating to start construction on Johnson Dr June 22<sup>nd</sup>.

#### **2020 Sidewalk In-Fill/2020 Sidewalk Maintenance**

- Contractor has completed all work.
- Staff requesting authorization for final payment.

**Capital Improvement Active Project List**

PROJECT NAME	FUNDING SOURCES	BUDGETED CONSTRUCTION COST	ACTUAL CONSTRUCTION COST	STATUS	DESIGN CONSULTANT	PUBLIC MEETING #1	PUBLIC MEETING #2	PUBLIC MEETING #3	ENGINEER'S ESTIMATE	BID OPENING	AWARD AT COUNCIL	CONTRACTOR	CONTRACT AMOUNT	NOTICE TO PROCEED	PROJECTED SUBSTANT COMPLETION DATE
<b>2019</b>															
2019 Sidewalk In-Fill	Special Sales Tax Street/Stormwater	\$500,000	\$301,577.86	Completed	GBA	5/9/19			\$219,000.00	7/24/19	8/12/19	Phoenix Concrete	\$289,393.30	9/9/19	12/8/19
<b>2020</b>															
2020 Street & Storm Drainage Jo. Dr. (BNSF to East City Limits) Mastin St. (Jo. Dr. to SMP)	CARS/Sp. Sales Tax Street/Stormwater General CIP PW Mill & Overlay	\$2,654,728		Construction	Affinis BHC Rhodes	1/22/20	3/11/20		\$2,840,162.50	2/19/20	3/9/20	Kansas Heavy Construction, LLC	\$2,425,180.00	4/13/20	10/15/20
2020 Sidewalk In-Fill 2020 Sidewalk Maintenance	Special Sales Tax Street/Stormwater	\$245,000	\$234,848.44	Completed	GBA/City Staff	2/5/20			\$265,008.40	2/26/20	3/9/20	Phoenix Concrete, LLC	\$237,184.26	4/8/20	5/27/20



# CIP

Capital Improvement Program



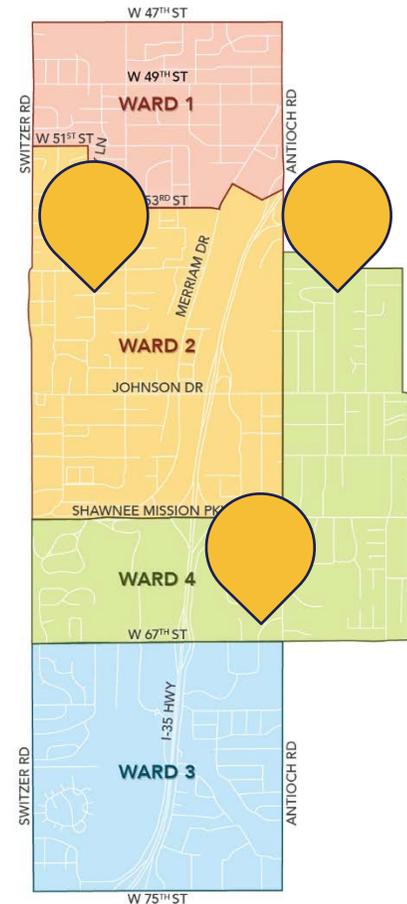
# Residential Sidewalk Infill

## TIMELINE 2019

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### UPDATES

- ▶ Contractor has completed all work.
- ▶ Staff requesting authorization for final payment.

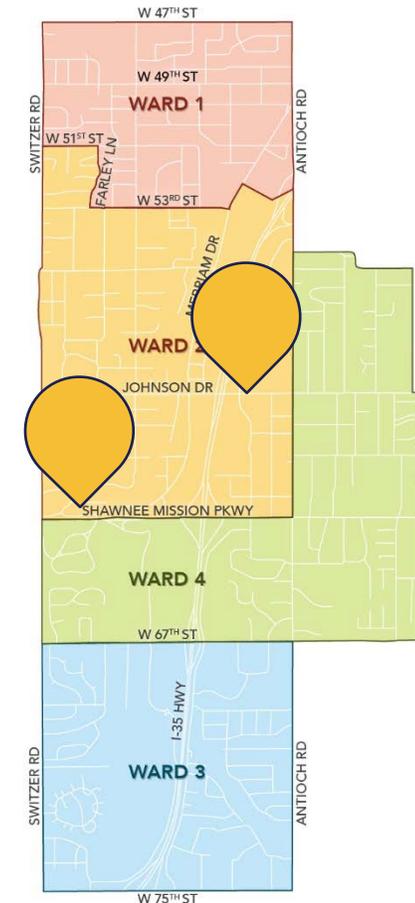


# 2020 CARS Johnson Drive/Mastin St.

## TIMELINE 2020

### UPDATES

- ▶ Kansas Heavy Construction (KHC) continues to replace storm drains on Mastin St.
- ▶ KHC replaced curbs on 65<sup>th</sup> St. east of E. Frontage Rd.
- ▶ Curb replacement on Mastin St. anticipated to start June 8.
- ▶ Mill and overlay on Mastin St./65<sup>th</sup> St. anticipated to start week of June 28.
- ▶ WaterOne completed work on Johnson Dr.
- ▶ KHC anticipated to start construction on Johnson Drive June 22.



# 2020 Sidewalk Infill/Maintenance

## TIMELINE 2020

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### UPDATES

- ▶ Contracted completed work.
- ▶ Staff requesting authorization for final payment.



# Questions?

## Staff Contact:

**Carl Sanders**

913-322-5521

[csanders@merriam.org](mailto:csanders@merriam.org)





## AGENDA ITEM INFORMATION FORM

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**AGENDA ITEM:** Review of the city's zoning ordinances related to the installation of solar collection systems.

**SUBMITTED BY:** Bryan P. Dyer, Community Development Director

**MEETING DATE:** June 8, 2020

### **PROJECT BACKGROUND/DESCRIPTION:**

City Council Budget Goals, Objective 1.3, states "Encourage participation in sustainability initiatives including economic, environmental, and social sustainability". Based on comments from persons that been through the city's solar collection system approval process, the process could be improved to ease the review requirements which could encourage more property owners to install sustainable solar collection systems.

In February 2011, the city adopted revised renewable energy zoning regulations. These regulations included standards for the installation of solar collection systems. The regulations require that prior to the installation of a solar collection system, the property owner obtain the Community Development Director's approval of a conditional use permit. If the proposed roof mounted solar collection system is "primarily visible from any public right-of-way", it is required to be reviewed by the Planning Commission.

Since the adoption of the revised regulations the city has received 11 solar collection system applications. Five of those applications required Planning Commission review. The Planning Commission has denied one application, the first one. The property owner later revised his plans which were subsequently approved by the Planning Commission.

Staff has received comments on the city's solar collection system regulations from property owners and solar installation professionals. The comments have been generally positive except for the requirement that solar installations facing the right-of-way be considered by the Planning Commission. Property owners and installers have stated that the requirement makes the review process overly long and complicated.

Staff reviewed the solar collection system regulations of neighboring cities and attached is a table summarizing those regulations. In general, the city's regulations are similar to our neighbors with the exception of requiring Planning Commission to review solar installations facing the right-of-way and specifically addressing abandonment and/or disrepair of the system. Most cities handle abandonment and/or disrepair through the respective city's nuisance regulations, which allow cities to take immediate action.

The solar system collection ordinances are in Chapter 74 – Zoning of the City Code. City code and state statute task the Planning Commission with the review of amendments to the Zoning Chapter. The City Council may direct the Planning Commission to review specific sections of the Zoning Chapter. Following their review, if the Planning Commission determines amendments are necessary, the Commission then drafts, reviews, and makes a recommendation on the proposed zoning amendments to the City Council, who takes final action on the amendments.

If the Council desires, they may direct the Planning Commission to review and consider revising the solar collection system regulations to make them more accessible to property owners. Specifically, the Council can request the Planning Commission to review the need for a conditional use permit and consider allowing solar collection systems to face the right-of-way without additional requirements.

**CITY COUNCIL GOALS AND OBJECTIVES**

- 1.3 Encourage participation in sustainability initiatives including economic, environmental, and social sustainability.

**FINANCIAL IMPACT**

**Amount of Request/Contract:** \_\_\_\_\_

**Amount Budgeted:** \_\_\_\_\_

**Funding Source/Account #:** \_\_\_\_\_

**SUPPORTING DOCUMENTS**

Table 1 – Comparison of Solar Collection Systems Regulations

**ACTION NEEDED/STAFF RECOMMENDATION**

If the City Council desires, direct the Planning Commission to draft, review, and consider amendments to the City Code Chapter 74 – Zoning that will ease and streamline the issuing of permits for the installation of solar collection systems.

Table 1 – Comparison of Solar Collection Systems Regulations

	Planning Commission	Abandonment	Staff Review	Aesthetics Standards	Ground Mounted	Ground Mounted Size Limits
Merriam	Yes	Yes	Yes	Yes	Yes	Yes
Shawnee	No	No	Yes	Yes	Yes	Yes
Lenexa	No	No	Yes	Yes <sup>1</sup>	No	-
Roeland Park	City Council reviews	No	Yes	Yes	No	-
Prairie Village	No	No	Yes	Yes	No	-
Mission	No	No	Yes	Yes <sup>2</sup>	Yes	No
Overland Park	No	No	Yes	Yes	Yes	No

- <sup>1</sup> Require roof mounted solar panels on new construction be “integrated into the roof so that the device forms a part of the roof itself”
- <sup>2</sup> Require roof mounted solar panels to be positioned so that they have “the most indirect exposure of the least visibility to the front lot line and the adjacent public street right-of-way”

## **CITY COUNCIL SUGGESTED MOTIONS FOR YOUR CONSIDERATION**

### **CONSENT AGENDA**

1. Move that the council approve Consent Agenda items 1-2.

### **MAYOR'S REPORT**

1. No motion.

### **FINANCE AND ADMINISTRATION**

1. Move that the council acknowledge receipt of the City's 2019 Financial Audit Report.
2. Move that the council approve an addendum to the Property Conveyance Agreement with Johnson County Library Board.
3. Move that the council approve the Shared Parking and Maintenance Agreement between the City of Merriam and Johnson County Library Board.
4. Move that the council approve a professional services agreement with OpenCities for website services
5. Move that the council authorize staff to solicit bids for demolition of 5701 Merriam Drive
6. Move that the council approve a resolution amending section 6.02 of the Employee Handbook
7. No motion
8. No motion.

### **COMMUNITY DEVELOPMENT/PUBLIC WORKS**

1. Move that the council authorize final payment to Phoenix Concrete in the amount of \$22,090.24 and authorize acceptance of the 2019 Sidewalk Infill Phase 3 project.
2. No motion.
3. Move that the council direct the Planning Commission to draft, review and consider amendments to Merriam Municipal Code Chapter 74, Zoning regarding issuance of permits for solar collection systems installations.

### **STAFF ITEMS**