

REGULAR SESSION –WEDNESDAY, DECEMBER 20, 2023

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

The Board of Public Utilities of Kansas City, Kansas (aka BPU, We, Us, Our) met in Regular Session on Wednesday, December 20, 2023 at 6:00 PM. The following Board Members were present: Rose Mulvany Henry, President; Thomas Groneman, Vice President; Robert L. Milan, Secretary; Jeff Bryant and Mary Gonzales. David Haley attended via Zoom.

Also present: William Johnson, General Manager; Angela Lawson, Acting Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Jeremy Ash, Chief Operating Officer; Jerry Sullivan, Chief Information Officer; Maurice Moss, Executive Director Corporate Compliance; Johnetta Hinson, Executive Director Customer Service; Darrin McNew, Executive Director Electric Operations; Jerin Purtee, Executive Director Electric Supply; Steve Green, Executive Director Water Operations; David Mehlhaff, Chief Communications Officer; Dennis Dumovich, Director of Human Resources; Douglas Bowen, Director Electric Production Operations & Maintenance; Patrice Townsend, Director Utility Services; Dustin Miller, Director of Applications; Michael Oldehoeft, Superintendent Operations WO; Steve Hargis, Supervisor Water Distribution Meters; Maurice Coleman, Supervisor Water Distribution; Al Garcia, Key Account Utility Specialist; Carlos Quijas, Development Coordinator; and Robert Kamp, IT Project Manager.

A video of this meeting is on file at the Board of Public Utilities and can be found on the BPU website, www.bpu.com.

Ms. Mulvany Henry called the Board meeting to order at 6:00 PM. She welcomed all that were listening to or viewing the meeting. She informed all that the meeting was being recorded including video and audio. During the public comment section, those attending in person, wishing to speak, should use the sign-up sheet at the entry and provide their name and address. Public comments were limited to five minutes and should be addressed to the Board. Members of the public who wished to speak to the Board using Zoom needed to use the Raise Hand feature at the bottom of the application or window to signal that they wish to address the board during the public comment section. Members of the public connected by phone only, needed to press *9 to indicate they wished to address the Board in the public comment section. No confidential information should be shared, including, account information. Staff would not provide individual account information during an open meeting. As always, the public could also email or call the BPU with any concerns. She informed that all participants were to act respectfully to each other. Personal attacks or accusations would not be tolerated. All concerns would be directed to the Board only, they would then determine staff involvement. If side discussion was necessary, it was to be conducted outside of the Board room to avoid interfering with presenters or other attendees. If any rules are breached during this meeting, the attendee was subject to removal. Ms. Mulvany Henry introduced herself and the other Board Members along with the General Manager, and Legal Counsel.

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Roll call was taken and all Board members were present except Mr. Bryant who arrived at 6:01 PM.

Item #3 – Approval of Agenda

A motion was made to amend the Agenda to consolidate approvals of all Minutes from November 1st and 15th and December 4th and 6th sessions, by Ms. Mulvany Henry, seconded by Mr. Groneman, and unanimously carried.

A motion was made to amend the Agenda, to change the order of items i. Budget Transfer Consideration and ii. Adoption of the 2024 Budget – Resolution #5292, under General Manager / Staff Reports section, by Mr. Bryant.

There was Board discussion.

The motion was seconded by Mr. Groneman. Roll call was taken:

Ms. Mulvany Henry – no

Mr. Bryant – yes

Ms. Gonzales – yes

Mr. Groneman – yes

Mr. Haley – no

Mr. Milan – yes

The motion carried.

Item #4– Approval of the Minutes of the following:

A motion was made to approve the minutes of the Work Session of November 1, 2023, Regular Session of November 1, 2023, Work Session of November 15, 2023, Regular Session of November 15, 2023, Special Session of December 4, 2023 and the Regular Session of December 6, 2023, by Mr. Groneman, seconded by Mr. Milan, and unanimously carried.

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Item #5– Public Comments

There were no visitors wishing to speak.

Item #6– General Manager / Staff Reports

- i. *Adoption of the 2024 Budget – Resolution #5292:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, presented a summary of the 2024 Annual Budget to the Board. (See attached PowerPoint.)

Board discussion included:

- Mr. Groneman expressed his thoughts on wanting to see the cost associated with opening the lobby in some capacity, as well as continued support for youth programs and the possibility of having a designated person to assist with gathering federal money opportunities.
- Mr. Bryant thought it would be beneficial to look for a grant writer to seek federal dollars.
- Ms. Gonzales added her understanding that large projects can take a great deal of time to complete, such as the water project in Argentine, but they were necessary.
- Ms. Mulvany Henry was concerned with a new position that was included in the 2024 budget.

Mr. Johnson responded to comments from the Board regarding the use of a grant writer. He added he would look into the use of the lobby with limited operations.

A motion was made to approve Resolution #5292, a Resolution Approving, Adopting and Appropriating the Budget of the Board of Public Utilities for the 2024 Budget, beginning January 1, 2024, by Mr. Bryant, seconded by Mr. Milan. Roll call was taken:

Ms. Mulvany Henry – no

Mr. Bryant – yes

Ms. Gonzales – yes

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Mr. Groneman – yes

Mr. Haley – no response

Mr. Milan – yes

The motion carried.

- ii. *Budget Transfer Consideration:* Mr. Johnson introduced a budget transfer consideration as requested. (See attached.)

The Board discussed details regarding the budget transfer request. Mr. Johnson, Ms. Austin and Ms. Johnetta Hinson, Executive Director Customer Service, answered questions from the Board.

A motion was made to approve the Budget Transfer to move the remaining 2023 Economic Development Fund Authorization dollars to the 2024 Utility Wide budget for assistance with community utility assistance request as proposed, by Ms. Mulvany Henry.

Mr. Groneman requested to amend the proposed motion to allocate \$40,000.00 to the Hardship Program in 2023, the remaining \$400,000.00 would be transferred and distributed evenly between the Utility Assistance and the Hardship Program in 2024.

The amended motion was seconded by Ms. Gonzales.

Ms. Austin confirmed, whatever funds do not get used in 2023 would be moved to cash reserve in 2024; however, if United Way expended the money in 2023, it would be recognized by BPU as such.

Roll call was taken and the motion unanimously carried.

- iii. *Miscellaneous Comments:* Mr. Johnson thanked the Board for adopting the 2024 Budget.

He also wanted to acknowledge and offered his condolences to Ms. Gonzales and family on the passing of her husband, John Mendez, as well as his brother.

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Mr. Johnson recognized Mr. Bryant for his passion and commitment to the community and thanked him for his time served as a BPU Board member (2011-2023). He presented him with a plaque as a token of gratitude.

Mr. Johnson also thanked Mr. Bob Milan for his many years of service as a BPU Board member, noting he is the longest serving current elected official in Wyandotte County (1991-2023). He recognized Mr. Milan for his many accomplishments in the community and presented him with a plaque as a token of gratitude.

Item #7 – Board Comments

Mr. Haley expressed his appreciation to Mr. Milan on his leadership and service to the community. He also thanked Mr. Bryant for his service on the Board and wished them both well in the future. He also shared his condolences with Ms. Gonzales.

Mr. Groneman extended his sympathy to Ms. Gonzales. He thanked Mr. Milan and Mr. Bryant for their service on the Board and wished them well in the future. He also wished everyone a safe and happy holiday.

Ms. Gonzales congratulated Mr. Milan and Mr. Bryant. She thanked staff for their hard work on the budget. She thanked everyone for acknowledging the passing of her husband.

Ms. Mulvany Henry echoed the other Board members comments and expressed her condolences to Ms. Gonzales. She thanked Mr. Milan for his service to the community as a Board member, pastor and an overall leader. She also thanked Mr. Bryant and acknowledged his commitment to the Utility and community.

Mr. Milan expressed how the number 32 was a sacred number to him throughout his life. He said, through his faith, he was able to serve on the BPU Board for 32 years. He was grateful to his family and friends for their support and spoke about the relationships he had built with the employees during his years of service. He closed by saying ‘Thank you, thank you, thank you’.

Mr. Bryant expressed his passion and care for the community. He added, through his faith, he was able to complete three terms as a BPU Board member and during that time he was grateful to meet and work with many amazing staff members. He, and his wife, were thankful for the friendships built over the years and wished everyone a Merry Christmas.


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Item #8 – Adjourn

At 7:15 PM a motion to adjourn was made by Mr. Bryant, seconded by Ms. Mulvany Henry and unanimously carried.

ATTEST:


Secretary Vice-President

APPROVED:


President



TO: General Manager

FROM: Lori Austin
(Division Manager)

DATE: December 20, 2023

SUBJECT: Budget Transfers

DESCRIPTION AND REASON FOR TRANSFER:

To move the remaining 2023 Economic Development Fund Authorization dollars to the 2024 Utility Wide budget for assistance with community utility assistance.

FROM	1	2	3
Project Budget			
Project Description			
Task Number			
Task Project Description			
Operating Unit	Electric	Water	
Department			
Account	13100	13100	
Class (If operating expense)	Cash	Cash	
Amount	302,000	138,000	

TO	1	2	3
Project Budget			
Project Description			
Task Number			
Task Project Description			
Operating Unit	Common		
Department	9500		
Account	92300		
Class (If operating expense)	2380		
Amount	440,000		

IF THE TRANSFER INVOLVES A PROJECT, THE PROJECT NUMBER MUST BE SPECIFIED ABOVE.

 GENERAL MANAGER APPROVAL

 DATE

CC: Corporate Accounting

Kansas City Board of Public Utilities 2024 Annual Budget Summary

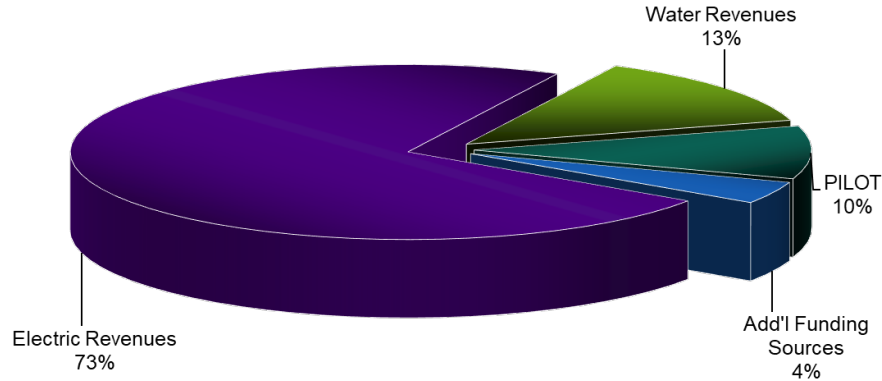
December 20, 2023

2024 Budget Objectives

- Positive Net Income
- Positive Cash Flow
- Fund Capital Projects
- Maintain Cash Balances & Debt Coverage

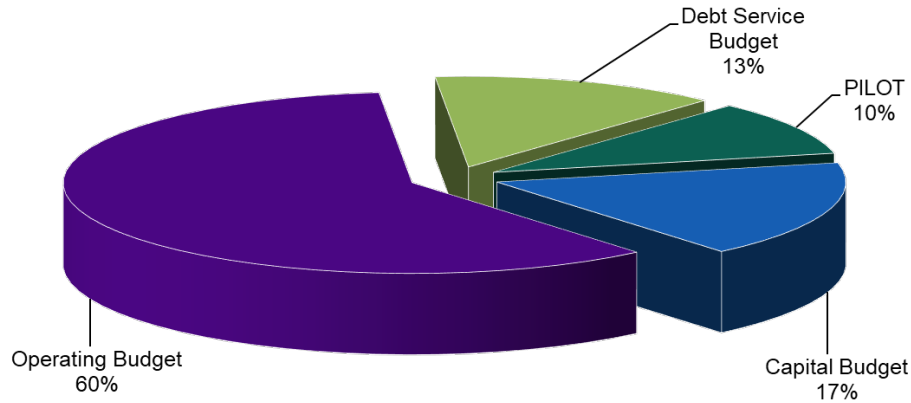
2024 Budget Resources

SUMMARY OF FUNDING BY RESOURCE CATEGORY						
Revenue by Category	Approved Budget 2024	Adopted Budget 2023	More/(Less) Than 2023 Adopted		% of Grand Total	
			\$	%	2024	2023
Electric Revenues	\$ 285,908,648	\$ 281,846,448	\$ 4,062,200	1.44%	72.87%	72.36%
Water Revenues	52,025,128	47,989,400	4,035,728	8.41%	13.26%	12.32%
PILOT	38,314,998	37,029,230	1,285,768	3.47%	9.77%	9.51%
Add'l Funding Sources	16,113,732	22,617,945	(6,504,213)	-28.76%	4.11%	5.81%
Grand Total	\$ 392,362,506	\$ 389,483,023	2,879,483	0.74%	100.00%	100.00%



2024 Budget Uses

BPU ANNUAL BUDGET						
Uses of Funds	Approved Budget 2024	Adopted Budget 2023	More/(Less) Than 2023 Adopted		% of Grand Total	
			\$	%	2024	2023
Operating Budget	\$ 233,808,818	\$ 239,330,489	\$ (5,521,671)	-2.31%	59.59%	61.45%
Debt Service Budget	52,424,286	51,820,859	603,427	1.16%	13.36%	13.31%
PILOT	38,314,998	37,029,230	1,285,768	3.47%	9.77%	9.51%
Capital Budget	67,814,404	61,302,445	6,511,959	10.62%	17.28%	15.74%
Grand Total	\$ 392,362,506	\$ 389,483,023	2,879,483	0.74%	100.00%	100.00%



Capital Program Summary

2024 Annual Capital Budget - \$67,089,400

- Electric Operations - \$24,616,000
- Electric Production - \$10,013,000
- Electric Supply - \$ 950,000
- Water Production & Operations - \$26,380,600
- Information Technology - \$ 4,310,000
- Common Security & Facilities - \$ 819,800

Capital Program Summary

2024 Funding Sources - \$67,089,400

- EDA Grant - \$ 2,000,000
- EPA Grant - \$ 5,000,000
- KDHE Loan - \$11,200,000
- Future 2024 Bond - \$ 7,325,000
- Cash - \$41,564,400

- Total - \$67,089,400

Management Requirements for 2024

- Cautious spending at beginning of year
 - Revenue peak – May through October
- Continue to focus on financial metrics
 - Improving cash on hand
 - Maintain strong debt coverage
 - Maintain credit status and bond ratings
- Support growth and development

2024 Budget Objectives

Positive Net Income

Electric \$33.3M Water \$8.1M Combined \$41.4M

Positive Cash Flow

Electric \$6.1M Water \$1.4M Combined \$7.5M

Maintain Debt Coverage*

With PILOT

2019 ~ 1.98x	2020 ~ 2.14x	2021 ~ 2.45x	2022 ~ 2.34x	2023 ~ 3.05x <small>(Sept. 2023)</small>	2024 ~ 2.73x <small>(Projected)</small>
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Without PILOT

2019 ~ 1.40x	2020 ~ 1.57x	2021 ~ 1.85x	2022 ~ 1.65x	2023 ~ 2.31x <small>(Sept. 2023)</small>	2024 ~ 2.00x <small>(Projected)</small>
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*Total Debt (Max Annual Debt Service)

Questions

RESOLUTION NO. 5292

A RESOLUTION APPROVING, ADOPTING AND APPROPRIATING THE BUDGET OF THE KANSAS CITY BOARD OF PUBLIC UTILITIES AN ADMINISTRATIVE AGENCY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/ KANSAS CITY, KANSAS FOR THE 2024 BUDGET FOR THE YEAR BEGINNING JANUARY 1, 2024, AS ATTACHED IN EXHIBIT A.

WHEREAS, the governing body of the Kansas City Board of Public Utilities an administrative agency of the Unified Government of Wyandotte County/Kansas City, Kansas ("KCBPU") has reviewed the proposed budget, attached in Exhibit A, which includes an annual operating and construction forecast reflecting proposed operating and capital expenditures of any utility for the ensuing calendar year and fully reviewed these budgets.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE GOVERNING BODY OF THE KCBPU:

In compliance with the Unified Government Charter Ordinance 5-01, Section 13(c) the 2024 Annual Budget of the KCBPU which includes an annual operating and construction forecast reflecting proposed operating and capital expenditures of any utility for the ensuing calendar year, as submitted by the General Manager and as set out in Attachment A, is hereby approved and adopted.

**ADOPTED BY THE GOVERNING BODY OF THE KCBPU
THIS 20th DAY OF DECEMBER, 2023.**

By _____
Rose Mulvany Henry, President

ATTEST:

Robert L Milan, Secretary

Approved as to form:

Angela J. Lawson, BPU Legal Counsel