NOTICE: JCPRD open meeting agendas are subject to change prior to and/or during the course of the meeting.

BOARD OF PARK AND RECREATION COMMISSIONERS

Steven Baru, Chair
Leslee Rivarola, Vice Chair
George Schlagel, Secretary
Paul Snider, Treasurer
Jeff Meyers, Asst Secretary
Bob Carlson, Board Member
Heather Rubesch, Board Member
Steven C. Klika, Board Member

ADMINISTRATIVE SERVICES (ASV) COMMITTEE

Jeff Meyers, Chair
Heather Rubesch
George Schlagel
Steve Baru, Board Chair Ex Officio Member

MEETING AGENDA

JCPRD Administration Building Boardroom
7900 Renner Road, Shawnee Mission, KS  66219
March 11, 2019
5:30 pm

CALL TO ORDER/ROLL CALL

DISCUSSION & ACTION

A. Intent to Issue Federally Tax-Exempt Debt for Cedar Niles Park Development– Noelle Testa, Chief Financial Officer

Issue: Consider Resolution No. 2019-01, determining the intent of the Johnson County Park and Recreation District (JCPRD) to issue federally tax-exempt debt to finance development of Cedar Niles Park.

B. Intent to Issue Federally Tax-Exempt Debt for Mid-America and Mid-America West Sports Complex Facility Improvements – Noelle Testa, Chief Financial Officer

Issue: Consider Resolution No. 2019-02, determining the intent of JCPRD to issue federally tax-exempt debt to finance facility improvements at Mid-America Sports Complex and/or Mid-America West Sports Complex.

C. Intent to Refinance Federally Tax-Exempt Debt for 2010D COP for New Century Fieldhouse– Noelle Testa, Chief Financial Officer

Issue: Consider Resolution No. 2019-03, determining the intent of JCPRD to refinance 2010D Certificates of Participation for New Century Fieldhouse as taxable debt financing.

D. Independent Auditing Services – Noelle Testa, Chief Financial Officer

Issue: Consider authorizing a contract with Rubin Brown LLP for auditing services.

E. Election of Board Assistant Treasurer – Jo Ann Courtney, Administration & HR Manager

Issue: Consider recommendation for Board Assistant Treasurer for the remainder of 2019.

OTHER BUSINESS

ADJOURNMENT
**JOHNSON COUNTY PARK AND RECREATION DISTRICT**  
**BOARD OF PARK AND RECREATION COMMISSIONERS**  
**BRIEFING SHEET**

<table>
<thead>
<tr>
<th>Presented to:</th>
<th>Administrative Services Committee</th>
<th>Meeting Date:</th>
<th>3/11/2019</th>
</tr>
</thead>
</table>

**Project Name/Identification:** Resolution No. 2019-01 – Resolution of Intent to Issue Federally Tax Exempt Debt for Cedar Niles Park Development

**Submitted by:** Noelle Testa, Chief Financial Officer  
**Phone:** 913-826-3416

**ISSUE:** Adopt Resolution No. 2019-01, a resolution determining the intent of the Johnson County Park and Recreation District (JCPRD), to enter into a Lease-Purchase Agreement in connection with the issuance of Certificates of Participation by the District of lease obligations in the aggregate principal amount of approximately $6,365,000 to finance development of Cedar Niles Park.

**BACKGROUND:** Originally debt financing for the development of Cedar Niles Park was planned to be secured during 2018. The park’s trail alignment and cost estimates were just recently finalized, and were presented and approved by the JCPRD Board at the February 2019 Board meeting. The total project cost is $5,609,884 and the debt reserve fund deposit will be $636,500. The first debt service payment will be in 2020 and is within planned budget authority. There will be no cash or budgetary impact to the District during 2019 to fund debt service. The original debt service payment budgeted in 2019 will be used as approved by the JCPRD Board in December 2018, to replenish capital reserves used to purchase the Stoneridge property at Cedar Niles in December 2018.

**ANALYSIS:** In order to comply with the requirements of Section 1.150-2 of the Regulations of the Internal Revenue Service concerning declarations of official intent to reimburse the District for previously paid expenditures from the proceeds of subsequently issued debt, the Board hereby indicates its intent to reimburse the District with the proceeds of the Series 2019A COPs or other obligations of the District, the interest on which is expected to be exempt from federal income taxation, for costs of the construction of the project, together with costs of financing, in an amount not to exceed the approximate principal amount of the Series 2019A COPs as set forth herein.

**FUNDING REVIEW:** Are there funding implications involved?  
☐ No  ☑ Yes – explain: Without this resolution the costs incurred before the issuance of the debt will have to be funded from funds other than bond proceeds. A projected annual debt payment of $1,103,000, to include both this park development and sports facility improvements (as noted on a separate briefing sheet), has been included in the 2020 budget.

**ALTERNATIVES:**

- Recommend consent approval as recommended by staff .............................................................. ☑
- Recommend consent approval as determined/modified by committee ........................................... ☐
- Recommend discussion and action by the full Board at Board Meeting .......................................... ☐
- Recommend denial of request ........................................................................................................... ☐
- Table for additional consideration ................................................................................................. ☐
- Take no action ................................................................................................................................. ☐
- Other: ............................................................................................................................................... ☐

**LEGAL REVIEW:** Is Legal Counsel Review Required?  
☐ No  ☑ Yes – If yes, explain: Resolution was drafted by JCPRD’s Bond Counsel and reviewed by Legal Counsel.

**SUGGESTED RECOMMENDATION/MOTION:** Move to adopt Resolution No. 2019-01, a resolution determining the intent of the Johnson County Park and Recreation District, Johnson County, Kansas, to enter into a Lease-Purchase Agreement in connection with the issuance of Certificates of Participation by the District of lease obligations in the aggregate principal amount of approximately $6,365,000 to finance development of Cedar Niles Park.
SUPPORTING DOCUMENTATION:

1. Resolution 2019-01
RESOLUTION NO. 2019-01

A RESOLUTION DETERMINING THE INTENT OF THE JOHNSON COUNTY PARK AND RECREATION DISTRICT, JOHNSON COUNTY, KANSAS, TO ENTER INTO A LEASE-PURCHASE AGREEMENT IN CONNECTION WITH THE DELIVERY BY THE DISTRICT OF LEASE OBLIGATIONS IN THE AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY $6,365,000 TO FINANCE IMPROVEMENTS TO CEDAR NILES PARK.

WHEREAS, the Johnson County Park and Recreation District, Johnson County, Kansas (the “District”), is a duly created body corporate formed under the laws of the State of Kansas, including K.S.A. 19-2859 et seq., as amended (the “Act”); and

WHEREAS, pursuant to K.S.A. 19-2862, the District is authorized to acquire, own, lease and hold real estate for and to establish, improve, finance, operate and maintain parks and playgrounds; and

WHEREAS, the Board of Park and Recreation Commissioners (the “Board”) of the District finds and determines it is desirable and in the best interest of the District to develop park land owned by the District and to construct certain park improvements located at Cedar Niles Park (the “Project”), at a total estimated cost of approximately $5,609,884; and

WHEREAS, the Board finds and determines it is desirable and in the best interest of the District to finance the Project through the delivery of Certificates of Participation, Series 2019-A (the “Series 2019-A COPs”), of the District in the principal amount of approximately $6,365,000, with the balance of the cost of the Project, if any, to be paid from other available funds of the District; and

WHEREAS, the delivery of the Series 2019-A COPs will require the District to enter into a lease-purchase agreement that will provide rent payments sufficient to pay the principal of and interest on the Series 2019-A COPs; and

WHEREAS, pursuant to K.S.A. 10-1116b, the District is permitted to enter into a lease-purchase agreement if such agreement does not directly or indirectly obligate the District to make any payments beyond those appropriated for the District’s then current fiscal year and upon compliance with the requirements set forth in K.S.A. 10-1116c; and

WHEREAS, the District has previously delivered its Certificates of Participation, Series 2011-A, dated August 15, 2011, in the original principal amount of $12,475,000 (the “Series 2011-A COPs”) for the purpose of acquiring park land, developing and improving parks and improving certain park and recreation facilities, including a portion of Cedar Niles Park; and
WHEREAS, in connection with delivery of the Series 2011-A COPs, the District, as lessee, entered into a Lease/Purchase Agreement dated as of August 15, 2011 (the “Series 2011-A Lease”), with Security Bank of Kansas City, as lessor (“Lessor”), pursuant to which the District leases property, including a portion of Cedar Niles Park, from Lessor; and

WHEREAS, in order to provide an orderly plan of finance for the District, the Board finds and determines it is desirable and in the best interest of the District to: (1) amend the Series 2011-A Lease to add the balance of Cedar Niles Park which is not already included in property leased under the Series 2011-A Lease; and (2) deliver the Series 2019-A COPs on parity with the Series 2011-A COPs;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE JOHNSON COUNTY PARK AND RECREATION DISTRICT, JOHNSON COUNTY, KANSAS, AS FOLLOWS:

Section 1. The Board determines and declares the intent of the District to enter into a lease-purchase agreement for the purpose of constructing the Project and providing an orderly plan of finance for the District. All payments made by the District under such agreement, including without limitation, all rental payments, shall be subject to and dependent upon annual appropriations being made by the Board. The payments made by the District under such lease-purchase agreement will not be a debt or general obligation of the District, the State of Kansas or any municipal corporation thereof. The total payments to be made by the District under such lease-purchase agreement will not exceed $12,810,503, which includes both the principal and interest portions of such rental payments and which reflects approximately $7,500,000 of new debt service and $5,310,503 of existing debt service on the Series 2011-A COPs previously delivered by the District.

Section 2. The District’s Chief Financial Officer is authorized to publish, or cause to be published, notice of the District’s intent to enter into such lease-purchase agreement once each week for two consecutive weeks in a newspaper of general circulation within the District in accordance with K.S.A. 10-1116c in the form of notice attached hereto.

Section 3. The Director of Parks and Recreation; the Deputy Director of Parks and Recreation; the District’s Chief Financial Officer; Logan Logan & Watson, L.C., the District’s attorney (the “District’s Attorney”); Kutak Rock LLP, the District’s bond counsel (“Bond Counsel”); and George K. Baum & Company, the District’s financial advisor (the “Financial Advisor”) (collectively, the “Finance Group”), are hereby authorized to proceed with the offering for sale of the Series 2019-A COPs as described herein.

Section 4. The Financial Advisor, in consultation with other parties in the Finance Group, is authorized and directed to solicit proposals from investment banking firms to underwrite the sale of the Series 2019-A COPs. The Director of Parks and Recreation, Deputy Director of Parks and Recreation, Chief Financial Officer and Financial Advisor are directed, after receipt and evaluation of such proposals, to present the proposals to the Board and to recommend the selection of an investment banking firm to the Board to underwrite the Series 2019-A COPs.
Section 5. The Financial Advisor and Bond Counsel, in conjunction with the District’s staff and the District’s Attorney, are authorized to prepare a preliminary official statement for use in connection with the sale of the Series 2019-A COPs. The Board consents to the use and distribution of drafts of the preliminary official statement in connection with obtaining a rating for the Series 2019-A COPs.

Section 6. In order to comply with the requirements of Section 1.150-2 of the Regulations of the Internal Revenue Service concerning declarations of official intent to reimburse the District for previously paid expenditures from the proceeds of subsequently delivered debt, the Board hereby indicates its intent to reimburse the District with the proceeds of the Series 2019-A COPs or other obligations of the District, the interest on which is expected to be exempt from federal income taxation, for costs of the construction of the Project, together with costs of financing, in an amount not to exceed the approximate principal amount of the Series 2019-A COPs as set forth herein.

Section 7. This Resolution shall be in full force and effect from and after its adoption.

(Remainder of this page intentionally left blank)
ADOPTED by the Board of Commissioners of the Johnson County Park and Recreation District this March 20, 2019.

Chair

(SEAL)

ATTEST:

Secretary
FORM OF NOTICE

Notice is given to the residents of the Johnson County Park and Recreation District, Johnson County, Kansas (the “District”), that the Board of Commissioners of the District intends to enter into a lease-purchase agreement for the purpose of financing the construction of certain park improvements to Cedar Niles Park and to provide an orderly plan of finance for the District. All payments made by the District under such agreement, including without limitation, all rental payments, shall be subject to and dependent upon annual appropriations being made by the Board of Commissioners of the District. The payments made by the District under such lease-purchase agreement will not be a debt or general obligation of the District, the State of Kansas or any municipal corporation thereof. The total payments to be made by the District under such lease purchase agreement will not exceed $12,810,503, which includes both the principal and interest portions of such rental payments and which reflects approximately $7,500,000 of new debt service and $5,310,503 of existing debt service on the Series 2011-A Certificates of Participation previously delivered by the District.

This Notice shall be published once each week for two consecutive weeks in a newspaper of general circulation within the District, and if within 30 days after the date of the last publication a petition in opposition to such lease-purchase agreement signed by not less than 5% of the qualified voters of the District is filed with the Johnson County Election Commissioner, such lease-purchase agreement shall not take effect unless and until the same is approved by a majority of the qualified voters of the District voting at an election thereon in accordance with K.S.A. 10-1116c.

DATED March __, 2019.

George Schlagel
Secretary, Board of Park and Recreation Commissioners
Johnson County Park and Recreation District
JOHNSON COUNTY PARK AND RECREATION DISTRICT
BOARD OF PARK AND RECREATION COMMISSIONERS
BRIEFING SHEET

Presented to: Administrative Services Committee  Meeting Date: 3/11/2019

Resolution No. 2019-02 – Resolution of Intent to Issue Federally Tax Exempt Debt for MASC and MAWSC Facility Improvements

Submitted by: Noelle Testa, Chief Financial Officer  Phone: 913-826-3416

ISSUE: Adopt Resolution No. 2019-02, a resolution determining the intent of the Johnson County Park and Recreation District (JCPRD), to enter into a Lease-Purchase Agreement in connection with the issuance of Certificates of Participation by the District of lease obligations in the aggregate principal amount of approximately $4,540,000 to finance facility improvements at Mid-America Sports Complex and/or Mid-America West Sports Complex.

BACKGROUND: Upon completion of a District wide sports facility improvement master plan, several significant improvements at MASC and MAWSC were identified which would heighten the safety, quality, and functionality of the fields and overall facility amenities, aiding in the facility’s ability to generate revenue and ensuring that this JCPRD asset is properly maintained. In the 2019 CIP the Board approved a project total of $2,070,000 for sports facility improvements. With current interest rates, it has been determined a project totaling $2,700,000 can be completed within the 2020 budgeted amount of $1,103,000. Additionally, staff will present a recommended option to the board for a project totaling $4,000,000 that could be supported by funding available within the 2020 budget due to growth in valuation. Under any of the above scenarios, the first debt service payment will be in 2020 and is within JCPRD’s planned budget authority. There will be no cash or budgetary impact to the District during 2019 to fund debt service.

ANALYSIS: In order to comply with the requirements of Section 1.150-2 of the Regulations of the Internal Revenue Service concerning declarations of official intent to reimburse the District for previously paid expenditures from the proceeds of subsequently issued debt, the Board hereby indicates its intent to reimburse the District with the proceeds of the Series 2019B COPs or other obligations of the District, the interest on which is expected to be exempt from federal income taxation, for costs of the construction of the project, together with costs of financing, in an amount not to exceed the approximate principal amount of the Series 2019B COPs as set forth herein.

FUNDING REVIEW: Are there funding implications involved?  No  Yes – explain: Without this resolution the costs incurred before the issuance of the debt will have to be funded from funds other than bond proceeds. A projected annual debt payment of $1,103,000 or $1,274,000, to include both these improvements and the Cedar Niles Park development (as noted on a separate briefing sheet), has been included in the 2020 budget.

ALTERNATIVES:

- Recommend consent approval as recommended by staff
- Recommend consent approval as determined/modified by committee
- Recommend discussion and action by the full Board at Board Meeting
- Recommend denial of request
- Table for additional consideration
- Take no action
- Other:

LEGAL REVIEW: Is Legal Counsel Review Required?  No  Yes – If yes, explain: Resolution was drafted by JCPRD’s Bond Counsel and reviewed by Legal Counsel.

SUGGESTED RECOMMENDATION/MOTION: Move to adopt Resolution No. 2019-02, a resolution determining the intent of the Johnson County Park and Recreation District, Johnson County, Kansas, to enter into a Lease-Purchase Agreement
in connection with the issuance of Certificates of Participation by the District of lease obligations in the aggregate principal amount of approximately $4,540,000 to finance facility improvements at MASC and MAWSC.

**SUPPORTING DOCUMENTATION:**

1. Resolution 2019-02
RESOLUTION NO. 2019-02

A RESOLUTION DETERMINING THE INTENT OF THE JOHNSON COUNTY PARK AND RECREATION DISTRICT, JOHNSON COUNTY, KANSAS, TO ENTER INTO A LEASE-PURCHASE AGREEMENT IN CONNECTION WITH THE DELIVERY BY THE DISTRICT OF LEASE OBLIGATIONS IN THE AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY $4,540,000 TO FINANCE SPORTS COMPLEX IMPROVEMENTS.

WHEREAS, the Johnson County Park and Recreation District, Johnson County, Kansas (the “District”), is a duly created body corporate formed under the laws of the State of Kansas, including K.S.A. 19-2859 et seq., as amended (the “Act”); and

WHEREAS, pursuant to K.S.A. 19-2862, the District is authorized to acquire, own, lease and hold real estate for and to establish, improve, finance, operate and maintain parks and playgrounds; and

WHEREAS, the Board of Park and Recreation Commissioners (the “Board”) of the District finds and determines it is desirable and in the best interest of the District to construct facility and parking lot improvements located at Mid-America Sports Complex and/or Mid-America West Sports Complex (the “Project”), at a total estimated cost of approximately $4,000,000; and

WHEREAS, the Board finds and determines it is desirable and in the best interest of the District to finance the Project through the delivery of Certificates of Participation, Series 2019-B (the “Series 2019-B COPs”), of the District in the principal amount of approximately $4,540,000, with the balance of the cost of the Project, if any, to be paid from other available funds of the District; and

WHEREAS, the delivery of the Series 2019-B COPs will require the District to enter into a lease-purchase agreement that will provide rent payments sufficient to pay the principal of and interest on the Series 2019-B COPs; and

WHEREAS, pursuant to K.S.A. 10-1116b, the District is permitted to enter into a lease-purchase agreement if such agreement does not directly or indirectly obligate the District to make any payments beyond those appropriated for the District’s then current fiscal year and upon compliance with the requirements set forth in K.S.A. 10-1116c; and

WHEREAS, the District has previously delivered its Certificates of Participation, Series 2013A, dated August 15, 2013, in the original principal amount of $15,670,000 (the “Series 2013A COPs”) and previously delivered its Certificates of Participation, Series 2017-B, dated March 30, 2017, in the original principal amount of $5,460,000 (the “Series 2017-B COPs”) for the purpose of acquiring park land, developing and improving parks and improving certain park and recreation facilities, including a portion of Mid-America West Sports Complex; and
WHEREAS, in connection with delivery of the Series 2013A COPs, the District, as lessee, entered into an Amended and Restated Lease/Purchase Agreement dated as of August 15, 2013 (the “Series 2013A Lease”), with Security Bank of Kansas City, as lessor (“Lessor”), pursuant to which the District leases property, including a portion of Mid-America West Sports Complex, from Lessor; and

WHEREAS, in connection with delivery of the Series 2017-B COPs, the District, as lessee, entered into the First Amendment to Amended and Restated Lease/Purchase Agreement dated as of March 15, 2017 (the “Series 2017B Lease Amendment”), which amends the Series 2013A Lease, with the Lessor, pursuant to which the District leases property, including a portion of Mid-America West Sports Complex, from Lessor. The Series 2013A Lease, together with the Series 2017B Lease Amendment, is referred to herein as the “Lease”; and

WHEREAS, in order to provide an orderly plan of finance for the District, the Board finds and determines it is desirable and in the best interest of the District to: (1) amend the Lease to add a portion of the Mid-America Sports Complex which is not already included in property leased under the Lease; and (2) deliver the Series 2019-B COPs on parity with the Series 2013A COPs and the Series 2017B COPs;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE JOHNSON COUNTY PARK AND RECREATION DISTRICT, JOHNSON COUNTY, KANSAS, AS FOLLOWS:

Section 1. The Board determines and declares the intent of the District to enter into a lease-purchase agreement for the purpose of constructing the Project and providing an orderly plan of finance for the District. All payments made by the District under such agreement, including without limitation, all rental payments, shall be subject to and dependent upon annual appropriations being made by the Board. The payments made by the District under such lease-purchase agreement will not be a debt or general obligation of the District, the State of Kansas or any municipal corporation thereof. The total payments to be made by the District under such lease-purchase agreement will not exceed $20,795,141, which includes both the principal and interest portion of such rental payments and which reflects approximately $5,400,000 of new debt service for the Series 2019-B COPs, $9,589,916 of existing debt service for the Series 2013A COPs and $5,805,225 of existing debt service for the Series 2017B COPs previously delivered by the District.

Section 2. The District’s Chief Financial Officer is authorized to publish, or cause to be published, notice of the District’s intent to enter into such lease-purchase agreement once each week for two consecutive weeks in a newspaper of general circulation within the District in accordance with K.S.A. 10-1116c in the form of notice attached hereto.

Section 3. The Director of Parks and Recreation; the Deputy Director of Parks and Recreation; the District’s Chief Financial Officer; Logan Logan & Watson, L.C., the District’s attorney (the “District’s Attorney”); Kutak Rock LLP, the District’s bond counsel (“Bond Counsel”); and George K. Baum & Company, the District’s financial advisor (the “Financial Advisor”) (collectively, the “Finance Group”), are hereby authorized to proceed with the offering for sale of the Series 2019-B COPs as described herein.
Section 4. The Financial Advisor, in consultation with other parties in the Finance Group, is authorized and directed to solicit proposals from investment banking firms to underwrite the sale of the Series 2019-B COPs. The Director of Parks and Recreation, Deputy Director of Parks and Recreation, Chief Financial Officer and Financial Advisor are directed, after receipt and evaluation of such proposals, to present the proposals to the Board and to recommend the selection of an investment banking firm to the Board to underwrite the Series 2019-B COPs.

Section 5. The Financial Advisor and Bond Counsel, in conjunction with the District’s staff and the District’s Attorney, are authorized to prepare a preliminary official statement for use in connection with the sale of the Series 2019-B COPs. The Board consents to the use and distribution of drafts of the preliminary official statement in connection with obtaining a rating for the Series 2019-B COPs.

Section 6. In order to comply with the requirements of Section 1.150-2 of the Regulations of the Internal Revenue Service concerning declarations of official intent to reimburse the District for previously paid expenditures from the proceeds of subsequently delivered debt, the Board hereby indicates its intent to reimburse the District with the proceeds of the Series 2019-B COPs or other obligations of the District, the interest on which is expected to be exempt from federal income taxation, for costs of the construction of the Project, together with costs of financing, in an amount not to exceed the approximate principal amount of the Series 2019-B COPs as set forth herein.

Section 7. This Resolution shall be in full force and effect from and after its adoption.

(Remainder of this page intentionally left blank)
ADOPTED by the Board of Commissioners of the Johnson County Park and Recreation District this March 20, 2019.

Chair

(SEAL)

ATTEST:

Secretary
FORM OF NOTICE

Notice is given to the residents of the Johnson County Park and Recreation District, Johnson County, Kansas (the “District”), that the Board of Commissioners of the District intends to enter into a lease-purchase agreement for the purpose of financing the construction of certain facility and parking lot improvements to Mid-America Sports Complex and/or Mid-America West Sports Complex and to provide an orderly plan of finance for the District. All payments made by the District under such agreement, including without limitation, all rental payments, shall be subject to and dependent upon annual appropriations being made by the Board of Commissioners of the District. The payments made by the District under such lease-purchase agreement will not be a debt or general obligation of the District, the State of Kansas or any municipal corporation thereof. The total payments to be made by the District under such lease-purchase agreement will not exceed $20,795,141, which includes both the principal and interest portions of such rental payments and which reflects approximately $5,400,000 of new debt service, $9,589,916 of existing debt service on the Series 2013A Certificates of Participation, and $5,805,225 of existing debt service on the Series 2017B Certificates of Participation previously delivered by the District.

This Notice shall be published once each week for two consecutive weeks in a newspaper of general circulation within the District, and if within 30 days after the date of the last publication a petition in opposition to such lease-purchase agreement signed by not less than 5% of the qualified voters of the District is filed with the Johnson County Election Commissioner, such lease-purchase agreement shall not take effect unless and until the same is approved by a majority of the qualified voters of the District voting at an election thereon in accordance with K.S.A. 10-1116c.

DATED March __, 2019.

George Schlagel
Secretary, Board of Park and Recreation Commissioners
Johnson County Park and Recreation District
**JOHNSON COUNTY PARK AND RECREATION DISTRICT**

**BOARD OF PARK AND RECREATION COMMISSIONERS**

**BRIEFING SHEET**

Presented to: Administrative Services Committee  
Meeting Date: 3/11/2019

Project Name/Identification: Resolution No. 2019-03 – Resolution of Intent to Refinance Federally Tax Exempt Debt for 2010D COP Offering for NCF

Submitted by: Noelle Testa, Chief Financial Officer  
Phone: 913-826-3416

**ISSUE:** Adopt Resolution No. 2019-03, a resolution determining the intent of the Johnson County Park and Recreation District (JCP RD), to enter into a Lease-Purchase Agreement in connection with the issuance of Certificates of Participation by the District of lease obligations in the aggregate principal amount of approximately $2,595,000 to refinance 2010D COP offering for New Century Fieldhouse as taxable debt financing.

**BACKGROUND:** The current 2010D COP offering is categorized as tax exempt debt financing which limits the District’s opportunities to generate other sources of revenue at NCF, such as sponsorship and advertising revenue, due to private activity restrictions. Tax exempt debt financing restricts the dollar amount that an entity can generate from private activity, such as generating sponsorship and advertising revenue. Refinancing the debt to take advantage of potential lower interest rates would allow the District to also convert the debt from tax exempt to taxable debt, thus removing the private activity restriction 10 years early. The amortization of the 2019 offering would mirror the amortization schedule of the 2010D issue with the mature remaining unchanged at 2030. Taxable debt compared to tax exempt debt carries with it a higher interest rate. Interest rates are ever-changing and at the time of closing, JCP RD could experience a gain or a loss depending on interest rates. Projections at this point in time range from a potential total gain of approximately $36,000 to a potential total loss of approximately $43,000 that would be recognized over the course of the debt (10 years). Converting the debt would provide JCP RD opportunities to market sponsorships and advertising space at New Century Fieldhouse generating projected additional revenue of $20,000+ annually.

**ANALYSIS:** In order to comply with the requirements of Section 1.150-2 of the Regulations of the Internal Revenue Service concerning declarations of official intent to reimburse the District for previously paid expenditures from the proceeds of subsequently issued debt, the Board hereby indicates its intent to reimburse the District with the proceeds of the Series 2019C COPs or other obligations of the District, the interest on which is expected to be exempt from federal income taxation, for costs of the construction of the project, together with costs of financing, in an amount not to exceed the approximate principal amount of the Series 2019C COPs as set forth herein.

**FUNDING REVIEW:** Are there funding implications involved?  
☐ No  ☐ Yes – explain:

**ALTERNATIVES:**

- Recommend consent approval as recommended by staff .......................................................... ☑
- Recommend consent approval as determined/modified by committee ........................................
- Recommend discussion and action by the full Board at Board Meeting..........................................
- Recommend denial of request.......................................................................................................
- Table for additional consideration............................................................................................
- Take no action...........................................................................................................................
- Other: ........................................................................................................................................

**LEGAL REVIEW:** Is Legal Counsel Review Required?  
☐ No  ☐ Yes – If yes, explain: Resolution was drafted by JCPRD’s Bond Counsel and reviewed by Legal Counsel.

**SUGGESTED RECOMMENDATION/MOTION:** Move to adopt Resolution No. 2019-03, a resolution determining the intent of the Johnson County Park and Recreation District, Johnson County, Kansas, to enter into a Lease-Purchase Agreement in connection with the issuance of Certificates of Participation by the District of lease obligations in the aggregate principal
amount of approximately $2,595,000 to refinance 2010D COP offering for New Century Fieldhouse as taxable debt financing.

**SUPPORTING DOCUMENTATION:**

1. Resolution 2019-03
RESOLUTION NO. 2019-03

A RESOLUTION DETERMINING THE INTENT OF THE JOHNSON COUNTY PARK AND RECREATION DISTRICT, JOHNSON COUNTY, KANSAS, TO ENTER INTO A LEASE-PURCHASE AGREEMENT IN CONNECTION WITH THE DELIVERY BY THE DISTRICT OF ITS LEASE OBLIGATIONS IN THE AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY $2,595,000.

WHEREAS, the Johnson County Park and Recreation District, Johnson County, Kansas (the “District”), has delivered its Certificates of Participation, Series 2010-D, dated November 1, 2010, in the original principal amount of $4,145,000 (the “Series 2010-D COPs”) for the purpose of acquiring park land, developing and improving parks and improving certain park and recreation facilities, and there remains outstanding and unpaid $2,770,000 principal amount of the Series 2010-D COPs; and

WHEREAS, in order to provide an orderly plan of finance for the District, the Board of Commissioners of the District (the “Board”) has found and determined that it is desirable and in the best interest of the District to consider the delivery of taxable certificates of participation of the District (the “Series 2019-C COPs”) to refund all or a portion of the outstanding Series 2010-D COPs; and

WHEREAS, the delivery of the Series 2019-C COPs will require the District to enter into a lease-purchase agreement that will provide rent payments sufficient to pay the principal of and interest on the Series 2019-C COPs; and

WHEREAS, pursuant to K.S.A. 19-2862, the District is authorized to acquire, own, lease and hold real estate for and to establish, improve, finance, operate and maintain parks and playgrounds; and

WHEREAS, pursuant to K.S.A. 10-1116b, the District is permitted to enter into a lease-purchase agreement if such agreement does not directly or indirectly obligate the District to make any payments beyond those appropriated for the District's then current fiscal year and, upon compliance with the requirements set forth in K.S.A. 10-1116c;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE JOHNSON COUNTY PARK AND RECREATION DISTRICT, JOHNSON COUNTY, KANSAS, AS FOLLOWS:

Section 1. The Board determines and declares the intent of the District to enter into a lease-purchase agreement for the purpose of refunding the Series 2010-D COPs. All payments made by the District under such agreement, including without limitation, all rental payments, shall be subject to and dependent upon annual appropriations being made by the Board. The payments made by the District under such lease-purchase agreement will not be a debt or general obligation of the District, the State of Kansas or any municipal corporation thereof. The total
payments to be made by the District under such lease-purchase agreement will not exceed $3,100,000 which includes both the principal and interest portion of rental payments.

Section 2. The Director of Parks and Recreation; the Deputy Director of Parks and Recreation; the District’s Chief Financial Officer; Logan Logan & Watson, L.C., the District’s attorney (the “District’s Attorney”); Kutak Rock LLP, the District’s bond counsel (“Bond Counsel”); and George K. Baum & Company, the District’s financial advisor (the “Financial Advisor”) (collectively, the “Finance Group”), are hereby authorized to proceed with the offering for sale of the Series 2019-C COPs as described herein.

Section 3. The Financial Advisor, in consultation with other parties in the Finance Group, is authorized and directed to solicit proposals from investment banking firms to underwrite the sale of the Series 2019-C COPs. The Director of Parks and Recreation, Deputy Director of Parks and Recreation, Chief Financial Officer and Financial Advisor are directed, after receipt and evaluation of such proposals, to present the proposals to the Board and to recommend the selection of an investment banking firm to the Board to underwrite the Series 2019-C COPs.

Section 4. The Financial Advisor and Bond Counsel, in conjunction with the District’s staff and the District’s Attorney, are authorized to prepare a preliminary official statement for use in connection with the sale of the Series 2019-C COPs. The Board consents to the use and distribution of drafts of the preliminary official statement in connection with obtaining a rating for the Series 2019-C COPs.

Section 5. This Resolution shall be in full force and effect from and after its adoption.

(Remainder of this page intentionally left blank)
ADOPTED by the Board of Commissioners of the Johnson County Park and Recreation District this March 20, 2019.

Chair

(SEAL)

ATTEST:

Secretary
JIffing Sheet

Presented to: Administrative Services Committee  Meeting Date: 03/11/2019

Project Name/Identification: RFP No. 2018-056 Independent Accounting and Auditing Services

Submitted by: Noelle Testa, Chief Financial Officer  Phone: 913-826-3416

**ISSUE:** Consider authorizing a contract with Rubin Brown LLP for auditing services in an amount not to exceed $32,675, Request for Proposal (RFP) No. 2018-056 for a period of 2 years, August 1, 2019 through July 31, 2021, with the option to renew including up to a 3% increase per year, for an additional (two) two-year extensions of the subsequent years 2022-2025.

**BACKGROUND:** As required by Kansas State Statute, the District is required to have an annual audit performed by an independent certified public accountant.

In pursuit of related services and better cost savings for an independent certified public accountant this RFP stipulated a joint venture with Johnson County Park & Recreation District and Johnson County. Although considered a joint venture for RFP purposes, both audits will be considered two separate engagements and charged to the appropriate entities.

On October 4, 2018, the Board of County Commissioners (BOCC) approved an extension to the current audit services contract with Allen, Gibbs and Houlik through July 31, 2019.

**ANALYSIS:** On August 29, 2018, the Treasury and Financial Management (TFM), Purchasing Division, opened RFP 2018-056 for a contract to provide audit services for Johnson County. The RFP was advertised in the local newspaper, posted electronically on the Johnson County website and Johnson County electronic bidding site powered by Ionwave Technologies. Notices were sent to 349 firms. 19 firms reviewed the proposal and the following four firms responded to our RFP.

A total of four responsive proposals were received and three finalists were interviewed: Allen, Gibbs and Houlik, RSM, and Rubin Brown LLP. The other responsive firm that submitted a proposal was BKD but they were not interviewed.

The evaluation of each proposal response was based on a scale of 100 points; 35 points for project approach; 25 points for key staff members; 20 points for firm experience; 10 points for staff utilization; and 10 points for cost.

Financial Staff from Wastewater, Airport, Facilities, Parks and Recreation, Budget and Financial Planning, and TFM evaluated the proposals. Based upon the initial proposals and scoring of these firms, the RFP committee interviewed the top three firms and following the interviews, recommends the firm Rubin Brown.

Rubin Brown demonstrated a clear and complete understanding of the scope of services, has related experience, and successfully provides similar services to other governmental agencies. Rubin Brown submitted the lowest fee of $31,725 for the 2018 audit. However, due to the extension of the current audit contract, the RFP allowed for a not to exceed annual cost increase of 3% each year. Therefore, the 2019 audit services contract is in the amount not to exceed $32,675 ($31,725 plus 3%).

The BOCC accepted an agreement with Rubin Brown for independent accounting and auditing services under RFP 2018-056 in December 2018. The agreement adopted included JCP RD with the exception of disclosing the fee amount for JCP RD. The agreement adopted only addressed the fee amount associated with the County. The District has drafted a separate agreement with Rubin Brown to accept the agreement adopted by the BOCC as well as separately address the District’s audit fee amount.
**FUNDING REVIEW:** Are there funding implications involved?  
No ☐ Yes – explain: Funding for auditing services is included in the General Fund FY 2019 operating budget.

**ALTERNATIVES:**

- Recommend consent approval as recommended by staff ................................................................. ☒
- Recommend consent approval as determined/modified by committee .............................................☐
- Recommend discussion and action by the full Board at Board Meeting ..................................................☐
- Recommend denial of request ..................................................................................................................☐
- Table for additional consideration ...........................................................................................................☐
- Take no action ...........................................................................................................................................☐
- Other: .......................................................................................................................................................☐

*If other, explain:*

**LEGAL REVIEW:** Is Legal Counsel Review Required?  
No ☐ Yes – If yes, explain: The attached agreement was reviewed by Legal Counsel and approved as to form.

**SUGGESTED RECOMMENDATION/MOTION:** Move to authorize a contract with Rubin Brown for audit services in an amount not to exceed $32,675, Request for Proposal (RFP) No. 2018-056 for a period of 2 years, August 1, 2019 through July 31, 2021, with the option to renew including up to a 3% increase per year, for an additional (two) two-year extensions of the subsequent years 2022-2025.

**SUPPORTING DOCUMENTATION:**

1. Agreement for Independent Accounting and Auditing Services between the Board of Johnson County Park and recreation Commissioners and Rubin Brown LLP
2. Agreement for Independent Accounting and Auditing Services between the Board of County Commissioners of Johnson County, Kansas and Rubin Brown LLP
AGREEMENT FOR INDEPENDENT ACCOUNTING AND AUDITING SERVICES

THIS AGREEMENT, is made in Johnson County, Kansas, and entered into this ___ day of ____________, 2019, by and between the BOARD OF JOHNSON COUNTY PARK AND RECREATION COMMISSIONERS (hereinafter the “DISTRICT”), and RUBINBROWN LLP (hereinafter “RUBINBROWN”).

WITNESSETH:

WHEREAS, the DISTRICT and RUBINBROWN acknowledge the existence of an independent accounting and auditing services agreement entered into between the Board of County Commissioners of Johnson County, Kansas (hereinafter the “County”) and RUBINBROWN dated November 29, 2018 (the “County Agreement”); and

WHEREAS, the DISTRICT and RUBINBROWN agree to accept the terms and conditions of said County Agreement as it pertained to the DISTRICT.

NOW, THEREFORE, in consideration of the above and foregoing recitals, the mutual promises and covenants hereinafter given, and for other good and valuable consideration, the parties hereto agree as follows:

I. TERM

DISTRICT and RUBINBROWN hereby agree that the initial term of this Agreement shall be for a period of two (2) years beginning August 1, 2019 and ending July 31, 2021 (hereinafter the “initial term”).

II. COMPENSATION

In consideration for the basic services provided and rendered to the DISTRICT by RUBINBROWN during the initial term as provided in this Agreement, RUBINBROWN shall be paid a contract fee annually during the initial term of this Agreement in an amount not to exceed Thirty-Two Thousand Six Hundred Seventy-Five Dollars ($32,675.00), payable within thirty (30) days of receipt of billing invoices submitted by RUBINBROWN documenting and detailing the services rendered under this Agreement.

III. SCOPE OF SERVICES

RUBINBROWN shall provide the DISTRICT independent accounting and audit services for the fiscal years ending December 31, 2019 and December 31, 2020. RUBINBROWN shall perform those services delineated and contained, respectively, under Section B – SCOPE OF SERVICES of the COUNTY’S Request for Proposal No. 2018-056, and addenda issued thereto (together hereinafter the "RFP") for each the COUNTY and the District, consistent with the representations made and contained in RUBINBROWN’S written and signed proposal duly submitted in response to the RFP (hereinafter the “Proposal”) (hereinafter "basic services").
Additionally, RUBINBROWN’s basic services to the DISTRICT shall include a separate examination and annual audit of the financial records and supplemental information for all funds of The Park and Recreation Foundation of Johnson County (the “Foundation”), a blended component unit of the District, as provided in County Agreement Section II.B.

IV. ENTIRE AGREEMENT

The above Recitals are incorporated herein by reference. The County Agreement, together with any Contract Documents as defined and incorporated in the County Agreement, are incorporated in this Agreement by reference. This Agreement represents the entire agreement between the DISTRICT and RUBINBROWN, and supersedes all prior agreements, understandings or promises, whether oral or written, between the parties hereto with respect to the services required hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives in multiple counterparts and made effective the day and year first above written.

BOARD OF JOHNSON COUNTY PARK AND RECREATION COMMISSIONERS

By: ________________________________  
Name: ________________________________  
Title: ________________________________

RUBINBROWN LLP

By: ________________________________  
Name: ________________________________  
Title: ________________________________

ATTEST:

______________________________
Jill Geller  
Executive Director

APPROVED AS FORM:

______________________________
Fred Logan  
Legal Counsel
AGREEMENT FOR INDEPENDENT ACCOUNTING AND AUDITING SERVICES

THIS AGREEMENT, made in Johnson County, Kansas, and entered into this 6th day of
November, 2018, by and between the BOARD OF COUNTY
COMMISSIONERS OF JOHNSON COUNTY, KANSAS (hereinafter the ..COUNTY“), and
RUBINBROWN LLP (hereinafter “RUBINBROWN,“).

WITNESS ETH:

WHEREAS, the COUNTY, through issuance of Request for Proposal No. 2018-056, invited
formal scaled proposals from certified public accounting firms qualified to conduct an examination
and audit of the accounts each of Johnson County Government and of the Johnson County Park
and Recreation District (hereinafter the "District") for the fiscal years ending December 31, 2018
and December 31, 2019; provided by K.S.A. 75-1122 through K.S.A. 75-1124, et seq., and
amendments thereto; and

WHEREAS, in response to the COUNTY'S invitation, RUBINBROWN duly submitted a
proposal to provide the desired professional independent accounting and auditing services; and

WHEREAS, following review and evaluation of the proposals duly submitted, Wld
interviews of the prospective and qualified candidates, the COUNTY awarded a contract to engage
and purchase the professional independent accounting and auditing services of RUBINBROWN; and

WHEREAS, RUBIN BROWN represents that it is duly licensed, experienced and qualified
to provide the COUNTY with such independent accounting and auditing services and desires to
perform the same in accordance with the terms and conditions hereinafter set forth; and

WHEREAS, the COUNTY and RUBINBROWN agree to accept the terms and conditions of
this Agreement.

NOW, THEREFORE, in consideration of the above and foregoing recitals, the mutual
promises and covenants hereinafter given, and for other good and valuable consideration, the parties
hereeto agree as follows:

I. TERM

RUBINBROWN acknowledges that the COUNTY’'S existing contract for professional
independent accounting and auditing services was amended by a contract extension through July 31,
2019, thus changing the commencement of the expected initial term of the new Agreement. Due to
the aforesaid contract extension, the COUNTY and RUBINBROWN hereby agree that the initial
term of this Agreement shall be for a period of two (2) years beginning August 1, 2019 and ending
July 31, 2021 (hereinafter the "initial term"). subject to and in accordance with, the terms and
conditions contained herein.
11. PURPOSE

A. The COUNTY hereby engages the professional independent accounting and auditing services of RUBINBROWN to jointly audit the Johnson County Government and District financial statements for the fiscal years ending December 31, 2019 and December 31, 2020, as provided by K.S.A. 75-1122 through K.S.A. 75-1124, et seq., and amendments thereto. These audits are to be performed in accordance with auditing standards generally accepted in the United States, the standards set forth in the Kansa: Municipal Audit Guide, the standards set forth for financial audits by the Comptroller General of the United States, and the provisions contained in the Contract Documents incorporated hereunder, and RUBINBROWN hereby agrees to provide such services in accordance with, and subject to, the terms and conditions of this Agreement.

B. RUBINBROWN understands and acknowledges that the District is a legally separate entity of Johnson County Government and has some financial independence with County Government. For reporting purposes, the District is shown as a discretely presented component unit of County Government. In addition, the District's audit will include a separate examination and annual audit of the financial records and supplemental information for all funds of The Park and Recreation Foundation of Johnson County (the "Foundation"), a blended component unit of the District. Although a separate legal entity, the Foundation is accounted for as an enterprise fund within the District's financial statements because its purpose is to acquire or construct facilities and lease those facilities to the District and other park agencies.

III. CONTRACT DOCUMENTS

A. The scope of services to be provided by RUBINBROWN hereunder shall be rendered in accordance with, and shall be governed by, the terms and conditions of this Agreement, and the respective standard terms and conditions, special conditions, specifications, general and special requirements, and representations contained within the documents enumerated hereinbelow, which are incorporated herein by reference, and which together with the terms and conditions of this Agreement, and any exhibits attached hereto comprise the Contract Documents:

1. The COUNTY'S Request for Proposal No. 2018-056. With addenda issued thereto (together hereinafter the "RFP");

2. RUBINBROWN'S written and signed proposal duly submitted in response to the RFP (hereinafter the "Proposal"); and

3. RUBINBROWN'S duly submitted schedule of proposed rates, as revised (hereinafter "Form 7").

B. It is hereby acknowledged and agreed that the RFP, and RUBINBROWN'S Proposal and Form 7 (hereinafter collectively the "Contract Documents") shall be on file with the COUNTY'S Office of Treasury and Financial Management, Purchasing Division. 111 South Cherry, Suite 2400,
Olathe, Kansas 66061, or such other office or location as the COUNTY may from time to time designate.

C. Whenever the terms "respondent", "successful respondent", "bidder", "successful bidder", "contractor", "successful contractor", "auditor" or terms of similar purport are used in the Contract Documents, such terms shall be deemed to mean and refer to RUBINBROWN.

D. Should any ambiguity, inconsistency or conflict arise in the interpretation of the documents listed in Subparagraphs 111.A (1), (2), and (3) hereinabove, the same shall be resolved by reference first to the terms and conditions of this Agreement, and then by reference to the provisions and representations contained within the contract documents in the order enumerated above.

IV. SCOPE OF SERVICES

A. RUBINBROWN shall, at all times, diligently and expeditiously, and using the ability, experience and skill of the personnel it provides, perform all duties and responsibilities necessary to furnish to the COUNTY, in a timely fashion, those professional independent accounting and auditing services consistent with the purpose of this Agreement, the COUNTY'S interests and objectives, and the professional standards of care and skill currently practiced by professional certified public accounting firms on audits similar in size, complexity and cost, and as required by the laws of the State of Kansas.

B. RUBINBROWN shall perform those services delineated and contained, respectively, under Section B - SCOPE OF SERVICES of the RFP for each the COUNTY and the District, consistent with the representations made and contained in RUBINBROWN'S Proposal (hereinafter "basic services"); provided, however, nothing herein shall preclude RUBINBROWN from providing the COUNTY or District, upon written request, with additional services relative to, and in connection with, the purpose and scope of this Agreement.

C. The COUNTY will provide, or make available, to RUBINBROWN an completed draft Comprehensive Annual Financial Report (CAFR), the adopted budget for the year audited, schedules prepared by the COUNTY as agreed upon by the COUNTY and RUBINBROWN, and any legal documents in the COUNTY'S possession or custody deemed by the COUNTY to be necessary in conducting the audits. Further, the COUNTY will provide, or make available, to RUBINBROWN any reasonable documentation including, but not limited to, any internal auditor's report, responses to previous year's management letter, and responses to the findings on the prior year's CAFR review.

D. RUBINBROWN understands and acknowledges that the District will provide, or make available, to RUBINBROWN a published budget for the year audited, a list of schedules prepared by the District as mutually agreed upon by the District and RUBINBROWN, all responses to last year's management letter, and all legal documents necessary to conduct the annual audit.
V. COMPENSATION

A. In consideration for the basic services provided and rendered to the COUNTY and the District by RUBINBROWN during the initial term of this Agreement, RUBINBROWN shall be paid a contract fee annually during the initial term of this Agreement in an amount not to exceed One Hundred Three Thousand Eight Hundred Fifty-Five Dollars ($103,855.00), payable within thirty (30) days of receipt of billing invoices submitted by RUBINBROWN documenting and detailing the services and hours rendered under this Agreement. Billing invoices shall be audit conducted and the rates and hours for the services performed on the respective audits. These audits shall be considered two separate engagements for billing purposes, with separate invoices provided to the COUNTY and the District.

B. Except as may be otherwise provided for elsewhere in the Contract Documents, the COUNTY and RUBINBROWN acknowledge that the work papers for the engagement created by RUBINBROWN under this Agreement are the property of RUBINBROWN and constitute confidential information. However, pursuant to Government Auditing Standards, RUBINBROWN may be required to make certain work papers available to Federal regulatory agencies upon request for their reviews of audit quality and use by their auditors. Access to the requested work papers will be provided to the regulators under RUBINBROWN’S supervision of personnel. Furthermore, upon request, RUBINBROWN may be required to provide photocopies of such documents to Federal regulatory agencies. The Federal regulatory agencies may distribute the photocopies or information contained therein to others, including other government agencies. Costs reasonably incurred with any such requests to photocopy certain work papers will be billed to the COUNTY; provided however, RUBINBROWN provides the COUNTY with prior notice of such requests; and its unanticipated costs associated therewith.

C. Should RUBINBROWN be requested to provide additional services for the COUNTY and in connection with the purpose and scope of this Agreement, RUBINBROWN shall be compensated for such services rendered and expenses reasonably incurred in the amount and rates mutually agreed to by the parties prior to the commencement of such additional services.

VI. INSURANCE

RUBINBROWN shall, while performing the services required under and for the duration of this Agreement, comply with the insurance requirements set forth in the RFP.

VII. AGREEMENT STATUS

It is hereby agreed and understood by the parties hereto that the relationship of RUBINBROWN to the COUNTY or the District under this Agreement is one of an independent contractor, and RUBINBROWN shall not be, in any way, considered an employee of, or joint venturer with, the COUNTY or District. RUBINBROWN hereby acknowledges that it is not entitled to, nor shall it receive, any benefits usually accorded to employees of Johnson County, Kansas.
VIII. INDEMNIFICATION

RUBINBROWN agrees to defend, indemnify and hold the COUNTY and District, their officers, employees and agents free and harmless from and against any losses, penalties, damages, settlements, costs or other expenses or liabilities arising from third party claims (collectively hereinafter "claims") directly resulting from the intentional wrongful act or gross negligence of RUBINBROWN, its officers, employees, agents or representatives. Notwithstanding the foregoing, RUBINBROWN's total maximum indemnity obligations to COUNTY, its officers, directors, and employees shall be limited to and under no circumstances shall exceed two (2) times the amount of fees paid by COUNTY to RUBINBROWN pursuant to this Agreement up through the date COUNTY provides proper notice and indemnity demand to RUBINBROWN ("Indemnity Cap").

The COUNTY agrees that it shall give RUBINBROWN written notice of any and all claims within three (3) business days thereof, and RUBINBROWN shall have the right to defend against any such claim with counsel of its own choosing and to settle or compromise any such claim in any manner RUBINBROWN shall deem appropriate and which does not adversely affect the interests of the COUNTY or District. The COUNTY agrees that it will cooperate with RUBINBROWN in the defense of any such claims including, but not limited to, providing personnel and any and all information necessary to assist in the defense of such claim. In the event RUBINBROWN fails to exercise its right hereunder to defend against any such claim, the COUNTY shall defend against any such claim but may not settle and/or compromise any such claim without previously informing RUBINBROWN of any such settlement or compromise.

IX. ASSIGNMENT

A. RUBINBROWN shall not assign, transfer, convey, sublet or otherwise dispose of this Agreement, or the right, title or interest, or power to execute this Agreement to any other person, firm or corporation, without the previous written consent of the COUNTY but in no event shall such consent relieve RUBINBROWN from its obligations, or change the terms of this Agreement.

B. It is understood and acknowledged by the parties that should RUBINBROWN intend to subcontract the services required under this Agreement, RUBINBROWN must obtain prior written approval from the COUNTY of any such subcontracting relationships and of the services such subcontractors are to perform. Notwithstanding this procedure, such subcontractor shall at all times remain under the direction and control of RUBINBROWN and not the COUNTY, and RUBINBROWN shall remain fully liable to the COUNTY for the proper discharge of all the services required hereunder regardless of by whom they are performed.

X. TERMINATION

A. In the event of material breach of the contractual obligations by RUBINBROWN, the COUNTY may terminate this Agreement. The COUNTY shall give RUBINBROWN an opportunity to cure the breach or to explain how the breach will be cured. The actual cure must be completed within no more than ten (10) working days from notification, or at a minimum RUBINBROWN must provide the COUNTY within ten (10) working days from notification a written plan detailing how
RUBINBROWN intends to cure the breach.

B. If RUBINBROWN fails to cure the breach or the COUNTY does not accept RUBINBROWN’S written plan for cure, the COUNTY will issue a notice of termination limiting this Agreement immediately.

C. The COUNTY reserves the right to terminate this Agreement at any time for the convenience of the COUNTY, without penalty or recourse, by giving RUBINBROWN a written notice of such termination at least thirty (30) calendar days prior to termination. RUBINBROWN shall be entitled to receive just and equitable compensation for the work completed prior to the effective date of such termination.

XI. WAIVER OF BREACH

The waiver by any party hereto of a breach of any of the provisions of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either party.

XII. AMENDMENT

This Agreement may be amended by supplemental writing mutually agreed to and executed by duly authorized representatives of the parties hereto.

XIII. NOTICES

Unless otherwise provided for elsewhere in this Agreement, all notices, bills or correspondence required or permitted hereunder shall be made in writing either personally delivered or mailed by United States mail, postage prepaid, to the following addresses:

COUNTY: Johnson County Office of Treasury and Financial Management
Johnson County Administration Building
111 S. Cherry, Suite 2400
Olathe, Kansas 66061
Attention: Becky Jones

DISTRICT: Johnson County Park and Recreation District
Administration Office - Finance Department
Shawnee Mission Park
7904 Renner Road
Shawnee, Kansas 66219
Attention: Noelle Testu

RUBINBROWN: RUBIN BROWN LLP.
Certified Public Accountants & Business Consultants
1200 Main Street, Suite 1000
XIV. GOVERNING LAW

This Agreement shall be governed by, enforced and construed in accordance with the laws of the State of Kansas. In the event that the parties hereto are unable to resolve any controversy or claim arising out of, or relating to, this Agreement or the making, performance or interpretation thereof without resort to the courts, the parties agree that exclusive jurisdiction and venue over such matter shall be in the District Court of Johnson County, Kansas.

XV. RENEWAL TERM(S)

The COUNTY reserves the sole right to renew this Agreement for two (2) additional terms of twenty-four (24) month periods with the first potential renewal term ending July 31, 2023, and the second such renewal term ending July 31, 2025; both potential renewal terms upon the same or similar terms and conditions herein contained, and at negotiated mutually agreeable rates up to, but not exceeding, a three percent (3%) increase per year.

XVI. MISCELLANEOUS PROVISIONS

A. If circumstances arise relating to the condition of COUNTY or District records, the availability of sufficient competent evidential matter, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets that, in RUBINBROWN'S professional judgment, prevent RUBINBROWN from completing the audits, RUBINBROWN retains the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement or services under this Agreement.

B. The parties acknowledge and agree that COUNTY and District management each are responsible, respectively for: (1) the preparation of COUNTY and District financial statements, (2) establishing and maintaining effective internal control over immovable and safeguarding assets, (3) properly recording transactions in the records, (4) identifying and ensuring the COUNTY and District comply with the laws and regulations applicable to its activities, (5) maintaining financial records and related information accessible and available to RUBINBROWN and (6) adjusting the financial statements to correct material misstatements. At the conclusion of RUBINBROWN'S audits, RUBINBROWN will request certain written representations from COUNTY and District management about the financial statements and matters related thereto. RUBINBROWN will also require the COUNTY and District affirm to RUBINBROWN that the effects of any uncorrected misstatements brought to the COUNTY'S or District's attention by RUBINBROWN are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
C. If delays in the timing or RUBINBROWN'S receipt of these records, incompleteness, or errors cause RUBINBROWN to lose time to complete the above services, this will result in delays. RUBINBROWN will, of course, make every effort to minimize any unnecessary disruption of the COUNTY or District staff's schedule. Further, if substantial extra time is spent due to delays, incompleteness, or errors, RUBINBROWN will notify the COUNTY using RUBINBROWN'S weekly job status reports.

D. In the event RUBINBROWN is requested or authorized by the COUNTY or is required by government regulation, subpoena, or other legal process to produce RUBINBROWN'S documents or RUBINBROWN'S personnel as witnesses with respect to RUBINBROWN'S engagement under this Agreement for the COUNTY, the COUNTY will, so long as RUBINBROWN is not a party to the proceeding in which the information is sought, reimburse RUBINBROWN for RUBINBROWN'S professional time and expenses, as well as the fees and expenses of RUBINBROWN'S counsel, incurred in responding to such requests.

E. The parties are fully committed to working with each other throughout the period of this Agreement, and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, the Parties each commit to resolve such disputes or disagreements in an amicable, professional and expeditious manner to avoid unnecessary losses, delays and disruptions hereunder.

F. This Agreement is subject to the provisions of the Kansas Cush Basis Law, K.S.A. 10-1101 et seq., and amendments thereto (the 'Act'). By virtue of this Act, Johnson County, Kansas's Government (the 'County') is obligated only to pay periodic payments as contemplated herein as may lawfully be made from funds budgeted and appropriated for that purpose during the County's current budget year (i.e., January 1 to December 31) or from funds made available from any lawfully operated revenue producing source.

XVII. ENTIRE AGREEMENT

This Agreement represents the entire agreement between the COUNTY and RUBINBROWN, and supersedes all prior agreements, understandings or promises, whether oral or written, between the parties hereto with respect to the services required hereunder.

XVIII. SEVERABILITY

All agreements, clauses and covenants contained herein are severable, and in the event any of them shall be deemed or held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement shall be interpreted as if such unconstitutional, invalid or unenforceable agreements, clauses and covenants were not contained herein.

XIX. HIPAA

RUBINBROWN agrees to comply with the Health Insurance Portability and Accountability Act.
Act of 1996 ("HIPAA"), the privacy and security regulations promulgated under Title II, Subtitle F, §§ 261-264 of HIJAA, the administrative regulations issued by the Department of Health and Human Services ("DHHStl") as found in 45 C.F.R. Parts 160 through 164 (the "HIPM or OHi-iS regulations"), and the Health Information Technology for Economic and Clinical Health Act, Public Law 11-005 (the "HITECH Act"), as such laws and regulations may be amended from time to time, and to such extent, the COUNTY and RUBINBROWN hereby incorporate in this Agreement the hereinbelow Business Associate Contract provisions, so as to provide necessary reasonable assurances to the COUNTY (hereinbelow the "Entity") that RUBINBROWN (hereinbelow the "Associate") as a Business Associate will comply with the portions of those laws and regulations made applicable to business associates by HIPAA and the HITECH Act. For purposes of this Agreement, the COUNTY and RUBINBROWN hereby acknowledge and agree that the following Business Associate Contract provisions of this Article XIX shall constitute the parties' Business Associate Agreement ("BAA"), and form a part of this Agreement. Further, and to the extent required, RUBINBROWN agrees to enter into a BAA with the District, which shall contain the same, or substantially similar, Business Associate Contract provisions set forth below.

I. Incorporation - Entity and Associate agree that the parties incorporate this BAA into the Agreement to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-S) ("ARRA"), and their implementing regulations set forth at 45 CFR Parts 160 and 164, as amended (the "HIPAA Rules").

2. Definitions - The following terms used in this BAA shall have the same meaning as those terms in the HIPAA Rules: breach, data aggregation, designated record set, disclose and disclosure, health care operations, individual, minimum necessary, Notice of Privacy Practices, protected health information (referred to herein as "PHI"), required by law, secretary, security incident, subcontractor, unsecured PHI, and use.

3. Duties of Associate - Associate agrees to:
   a. Not use or disclose PHI other than as permitted or required by this BAA or 11s required by law;
   b. Use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of PHI other than as provided for herein;
   c. Report to Entity any use or disclosure of PHI not provided for herein of which it becomes aware, including breaches of unsecured PHI as required at 45 CFR 164.410 and any security incident of which Associate becomes aware;
d. In accordance with 45 CFR 164.502(c)(1)(ii) and 164.308(h)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of Associate agree to the same restrictions, conditions, and requirements that apply to Associate with respect to such information;

c. Make available PHI in a designated record set to Entity as necessary to satisfy Entity's obligations under 45 CFR 164.524;

i. Make any amendment(s) to PHI in a designated record set as directed or agreed to by Entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy Entity's obligations under 45 CFR 164.526;

h. To the extent Associate is to carry out one or more of Entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to Entity in the performance of such obligations; and

i. Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

4. Permitted Uses and Disclosures by Associate

a. Associate may only use or disclose PHI to perform those services specified in the Agreement.

b. Associate may use or disclose PHI as required by law.

c. Associate agrees to use and disclose PHI consistent with Entity's minimum necessary policies and procedures.

d. Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 CFR l'urt 164 if done by Entity.

c. Associate may use PI-JI for the proper management and administration of Associate's legal responsibilities,

5. Notice to Associate Regarding Privacy Practices and Restrictions

u. Entity shall notify Associate of any limitation(s) in Entity's Notice of Privacy Practices under 45 CFR 164.510. to the extent that such limitation may limit Associate's use or disclosure of PHI.
b. Entity shall notify Associate of any changes in or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Associate's use or disclosure of PHI.

c. Entity shall notify Associate of any restriction on the use or disclosure of PHI that Entity has agreed to or is required to implement by section 64.522, to the extent that such restriction may affect Associate's use or disclosure of PHI.

6. Permissible Requests by Entity—Entity shall not request Associate to use or disclose PHI in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by Entity.

7. Term and Termination

a. The term of this BAA shall be the same as the term of the parties' Agreement, except Entity may terminate this BAA for cause in authorized in Section 7(b).

b. Associate authorizes termination of this BAA by Entity if Entity determines Associate has violated a material term of the BAA and Associate has not cured the breach or ended the violation within the time specified by Entity.

c. Upon termination of this BAA for any reason, Associate, with respect to PHI received from Entity, or created, maintained, or received by Associate on behalf of Entity, shall:

   i. Retain only that PHI which is necessary for Associate to continue its proper management and administration or to carry out its legal responsibilities

   ii. Return to Entity (or, if agreed to by Entity at the time, destroy) the remaining PHI that the Associate still maintains in any form;

   iii. Continue to use appropriate safeguards and comply with Subpart E of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, forms long as Associate retains the PHI:

   iv. Not use or disclose the PHI retained by Associate other than for the purposes for which such PHI was used and subject to the same conditions set out at above which applied prior to termination; and

   v. Return to Entity (or, if agreed to by Entity at the time, destroy) the PHI retained by Associate when it is no longer needed by Associate for its proper management and administration or to carry out its legal responsibilities.

The obligations of Associate under this Section 7(c) shall survive the
termination of this BAA.

8. Miscellaneous

a. A reference in this BAA to a section in the HIPAA Rules means the section in effect or as amended. The parties agree to take such action as is necessary to amend this BAA from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law. Any ambiguity in this BAA shall be interpreted to permit compliance with the HIPAA Rules.

b. Nothing in this BAA shall be construed to create any rights or remedies in any third parties or any agency relationship between the parties.

c. The terms and conditions of this BAA override and control any conflicting term or condition of the Agreement. All non-conflicting terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives in multiple counterparts and made effective the day and year first above written.

Nicholas Saldan
Assistant County Counselor

[Signature]

[Signature]

[Title]

[Title]
Presented to: Administrative Services Committee  Meeting Date: 03/11/2019

Project Name/Identification: Nominations for JCPRD Board Assistant Treasurer

Contact: Jo Ann Courtney, Administration & HR Manager  Phone: 913-826-3405

**ISSUE:** Consider recommendation for nomination of Board Assistant Treasurer.

**BACKGROUND:** As the result of the BOCC’s membership appointments on the JCPRD Board, at its Regular Board Meeting on February 20, 2019, the Board elected new Board officers with the exception of Assistant Treasurer.

**ANALYSIS:** With newly appointed Board members, Bob Carlson and Heather Rubesch, it is necessary to consider nomination for election of Assistant Treasurer. The committee’s recommendation will appear in the Consent Agenda of the Regular Board Meeting on March 20 for approval, with election taking place later in the meeting.

**ALTERNATIVES:**

- Recommend consent approval as recommended by staff .................................................................
- Recommend consent approval as determined/modified by committee ...........................................
- Recommend discussion and action by the full Board at Board Meeting.........................................
- Recommend denial of request ...........................................................................................................
- Table for additional consideration ..................................................................................................

**LEGAL REVIEW:** Is legal counsel review required?  ☒ No  ☐ Yes  If yes, explain:

**SUGGESTED RECOMMENDATION/MOTION:**

It is the consensus of the committee to recommend Board consent approval to nominate XXXX to serve as the Board’s Assistant Treasurer for the remainder of 2019.

**SUPPORTING DOCUMENTATION:**

1. None