

AGENDA

KGIS Policy Board Meeting

Friday, June 18, 2021

1:30 PM

City/County Building

Room 575

(formerly Room 549)

1. Call to Order / Change of Chair (V)
2. Approval of Minutes (Aug 21, 2020) (V)
3. Financial Reports / Current Status
4. FY 2022 Budget Approval (V)
5. Public Comment
6. Next Meeting Date / Time (August 27, 2021)

(V) denotes that a vote be taken by the Policy Board

1. Call to Order / Change of Chairperson

1. (V)

Under rules adopted by the Policy Board, the Chair rotates on an annual basis. The order of the rotation is County-KUB-City; therefore, for the calendar year 2021, the chair rotates from KUB President & CEO Gabe Bolas to the City of Knoxville Mayor Indya Kincannon.

<i>Agenda</i>	
1	Call to Order / Change Chair
2	Approval of Minutes
3	Financial Report
4	FY 2022 Budget
5	Public Comment
6	Next Policy Board Meeting

Policy Board Action

**Approve appointment of Knoxville Mayor Indya Kincannon as 2021
Chairperson**

2. Approval of Minutes (August 21, 2020)

2. (V)

KGIS Policy Board Meeting Minutes

Friday, August 21, 2020
1:30 p.m.
Via WebEx Video-Conferencing

Agenda	
1	Call to Order / Change Chair
2	Approval of Minutes
3	Financial Report
4	FY 2022 Budget
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Members Present: Gabriel Bolas, CEO/President KUB; Mayor Glenn Jacobs, Knox County; Mayor Indya Kincannon, City of Knoxville

Others Present: Alex Zendel, Planning; Keith Stump, KGIS; John Edwards, KGIS; Terry Gilhula, Planning; Mark Kenner, KUB

- 1. Call to Order** - The meeting was called to order, and the acting secretary, John Edwards, called for a roll call of the Policy Board members. The Quorum status of this meeting was declared.
- 2. Approval of Minutes** (May 15, 2020) - Gabe asked if there were any questions or comments on the minutes from May 20, 2020 meeting. With no questions or comments, he asked if there was a motion to approve the minutes as written. Mayor Kincannon made a motion, which was seconded by Mayor Jacobs. The minutes were approved.
- 3. Operational Partnership Agreement** - KGIS seeks to enter this same "Operational Partnership Agreement" with Knoxville-Knox County Planning as was done with the Town of Farragut, Knox County Schools and E-911. The legal document has been approved as to form by each of the respective legal departments of the City, County, KUB. The Executive Committee unanimously agreed to approve this agreement. Gabe asked whether there were any questions or comments. Mayor Kincannon asked if there were any items in the legal document that differed from what has already been happening between the two agencies. Keith confirmed it was just putting everything in writing, and that KGIS and Planning have been working successfully together for 35 years. Terry also confirmed that Planning and KGIS have a great working relationship, with mutual respect shown towards each other. With no other comments, Gabe asked if there was a motion to approve the Operational Partnership Agreement. Mayor Kincannon made a motion, which was seconded by Mayor Jacobs. The agreement was approved. With his item approved by the Policy Board, it will be signed by the Chairperson and KGIS Director following the meeting.
- 4. Public Comment** - In accordance with KGIS Bylaws the Policy Board shall provide an opportunity for public comments. No public comments were provided.
- 5. Next Meeting Date / Time** - The next regular Policy Board meeting is scheduled for Friday, November 20, 2020 at 1:30 pm.

Gabe asked for a motion to adjourn the meeting which was given by Mayor Kincannon and seconded by Mayor Jacobs. The meeting adjourned.

Policy Board Action

Approve Minutes

3. Financial Report

3.

Knox County Finance will provide an overview of financial matters.

Previous FY 2020 Financials

The audited FY 2019-2020 financial report (attached) from Pugh & Company, P.C. can be found at the following Links:

<https://www.kgis.org/portal/Portals/0/Docs/PB/2020PughReporttoPB.pdf>

<https://www.kgis.org/portal/Portals/0/Docs/PB/FY20KGISAnnualFinancialStatements.pdf>

The audit does contain a negative finding related to the management of vendor payment information (See [page 35](#)) as a result of a June 2019 email phishing \ deception scheme carried out against KGIS and Knox County Finance.

That incident resulted in an erroneous disbursement of funds, and an ensuing investigation that has been unsuccessful in recovering those funds. The effects of this can be seen on [Page 19](#) of the financial statements, which show a decreased balance to KGIS's undesignated funds (to \$395,622).

The audit identifies the additional controls and independent verification steps undertaken by Knox County and KGIS to further protect against this type of incident.

Presentation of FY 2021 Audit Planning Letter

Representatives from Pugh & Company will present a Planning Letter at the Policy Board meeting regarding next year's planned audit. Click here for a copy of the letter:

<https://www.kgis.org/portal/Portals/0/Docs/PB/KnoxCountyGIS-42550920-0621PlanningTCWG.pdf?ver=2021-05-04-141830-813>

Current FY 2021 Financials

The Net Position Report (as of May 4, 2021), provided by Knox County Finance, is on the following page (page 5).

KGIS's external revenues (from map sales, data licensing and subscription fees) for this current FY 2021 are on pace to be approximately \$8,000 more than was forecast (which is a good thing).

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3. (continued)

KGIS Statement of Revenues, Expenses and Changes in Net Position	
As of May 4, 2021	
	Year to Date Actuals
Operating Revenues:	
City of Knoxville	\$ 399,400
KUB	601,169
Knox County	428,575
Map Sales	155,940
Total Operating Revenues	<u>1,585,084</u>
Operating Expenses:	
Personnel Services	484,379
Employee Benefits	161,848
Contracted Services	526,807
Supplies and Materials	9,943
Rent	53,363
Capital Outlay	55,699
Insurance	897
Total Operating Expenses	<u>1,292,936</u>
Operating (loss) income	<u>292,148</u>
Nonoperating Revenues:	
Knoxville - Knox County Planning	23,329
Knoxville-Knox County Emergency Communications District	1,453
Knox County Schools	3,484
EMA	328
Total Nonoperating Revenues	<u>28,594</u>
Change in Net Position	320,742
Total net position -beginning of year	1,009,391
Total net position -ending of year	<u>\$ 1,330,133</u>
KGIS has spent 83% of their budget which is consistent with our expectations for this time within the fiscal year.	

Policy Board Action

None Required

4. Budget Approval for FY 2022

4. (V)

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KGIS's efforts in the next year will focus on the following:

GOALS for 2021-2022

- Support KGIS integration of **new Appraisal system** (go live Fall 2021)
- Support KUB's **ArcGIS Enterprise and Maximo** upgrade projects
- RFQ for Landbase Services \ **LiDAR** Acquisition
- Development of **ESRI Technology Governance & Migration Plan**
- Continued support to City and County **Asset Management** systems

OPERATING

KGIS is seeking a 9.3% increase to its **Operating** budget: from \$1,087,902 to **\$1,188,912**. Each Tri-Party member's share will go from \$362,634 to **\$396,304**— an increase of **\$33,670** to each.

What are the key drivers behind this budget increase?

- 1) **GIS Software Maintenance Increases.** KGIS's existing ESRI GIS software license contract is up for its 3-year renewal, at which time the annual cost is adjusted to match with existing use, but also to accommodate anticipated future increased use over the next 3 years.

The renewed contract calls for **an overall 16.7% increase**. The KGIS Office portion of this increase is \$29,101. The fee will remain flat for 3-years.

The ESRI software is used to manage the increasingly large GIS databases housed at KGIS and throughout our respective agencies.

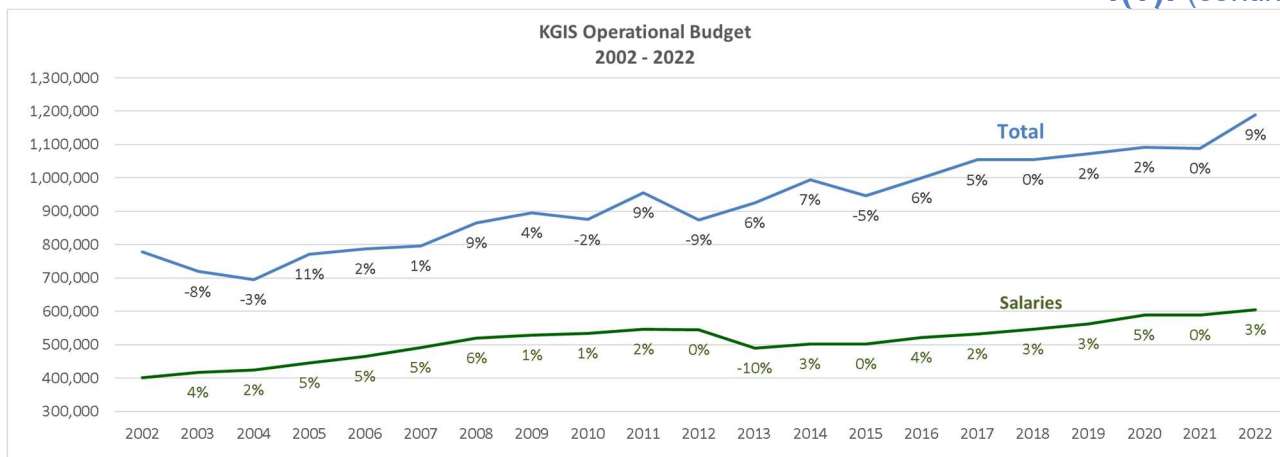
- 2) **Systems Security Increases.**

- Firewalls maintenance (+\$20,500) *Year 1 maintenance on the newly upgraded, GenV security firewalls*
- Security Software (+\$3,750) *for increased virus protection (CrowdStrike)*
- Systems Security Assessment (+\$5,000) *for detection of external/internal vulnerabilities in the KGIS system.*

- 3) **Salary Increases for KGIS's existing employees.** The budget request calls for a 3% increase (\$17,204) in-line with the Knox County recommendations. KGIS employees did not receive a salary increase in the past year, but did receive a one-time supplemental payment of \$1,000 each in December 2020.

- 4) **Other Miscellaneous Items.**

- Hardware Maintenance (+\$6,800) *on Dell SQLServer\Tape Backup machines that have reached the end of 5-year replacement cycle, but are still functional*
- Health Insurance (\$5,918) *3% increase along with additional family coverage for one employee*



KGIS Operational Budget 2002 – 2022

Future Projections: the KGIS Director projects the need for increased personnel resources, esp. for systems administration support and advanced software consulting. The KGIS Director to work with Executive Committee to identify methods of providing these resources to the KGIS organization.

CAPITAL

KGIS is proposing a capital outlay of **\$280,800** be **funded entirely from existing External Revenue funds**, for the following items.

Equipment (total: \$110,800)

- Production Servers Replacement \$56,300 *multiple servers that host the production (editing and presentation) system used by all departments and public websites. All machines are now 6 years old.*
- Network Switch and Data Center Replacement \$18,000 *redundant switches, server rack, power units and kvm (keyboard, video, mouse) in the City-County Bldg. All are now 6 years old.*
- Security Assessment \$30,000 *Contracted services to evaluate external security threats to KGIS systems and to address vulnerabilities. KGIS seeks to conduct a security assessment every 2 years.*
- Large Format Map Plotter \$6,500 *Carryover from previous year. Printing device used for producing 44" maps. 10-year old device no longer supported*

Note: KGIS also plans to replace the County's dedicated Citrix hardware server with funds received in prior FY2020. Additional funding is therefore not needed. Estimated cost: \$7,869.

Aerial (total \$170,000)

- Aerial Lidar Data Capture \$100,000 *Acquisition of very dense 16 points-per-meter (ppm) Lidar 3-D data for entirety of Knox County and KUB's extended service area to support vegetation management program and to provide a supplemental contour product to 6-year-old topographic contour data. KGIS's current Lidar data is only 6ppm and was flown in 2016.*

This \$100,000 represents KGIS's contribution to the overall project cost of \$327,000. KUB is to provide the remaining \$227,000 via its Pass-Thru billing (see Page 8).

- Spring 2022 High Accuracy Ortho-Photography \$70,000 *The current aerial product used by KGIS will be two years old in Spring 2022. This product is increasingly used by our respective agencies to identify areas of change / development, and to update mapped building footprints and paved features. This product is acquired via the Knox County Property Assessor's contract with EagleView / Pictometry.*

This \$70,000 represents KGIS's contribution to the Knox County-managed project. KUB is to provide an additional \$56,277 via its Pass-Thru billing (see Page 8).

KGIS FY 2022 Proposed Expenditures			\$\$ Diff	% Diff
Operating Expenses - rev May 2021	Budgeted	Proposed	2022 vs	2022 vs
	2021	2022	2021	2021
OTHER SALARIES AND WAGES	\$589,735.00	\$606,939.00	\$17,204	2.92%
SOCIAL SECURITY	\$42,771.80	\$44,008.18	\$1,236	2.89%
RETIREMENT	\$35,641.50	\$36,673.74	\$1,032	2.90%
VOLUNTARY RETIREMENT MATCH	\$34,548.00	\$35,054.00	\$506	1.46%
HEALTH INSURANCE	\$83,538.00	\$89,455.91	\$5,918	7.08%
LIFE INSURANCE	\$733.60	\$399.29	-\$334	-45.57%
AUTO ALLOWANCE	\$4,290.00	\$4,290.00	\$0	0.00%
OTHER PROFESSIONAL SERVICES	\$26,000.00	\$26,804.00	\$804	3.09%
MAINTENANCE	\$169,266.96	\$231,548.23	\$62,281	36.79%
COMMUNICATIONS / IT RELATED CHARGES	\$15,876.00	\$17,574.00	\$1,698	10.70%
OTHER SERVICES DAILY OP/FREIGHT EXPEN	\$275.00	\$275.00	\$0	0.00%
SERVICES/MAINT OF BLDG SECURITY	\$400.00	\$400.00	\$0	0.00%
CONTRACTED SERVICES	\$1,500.00	\$6,500.00	\$5,000	333.33%
EMPLOYEE TRAVEL/EDUCATIONAL TRAINING	\$5,234.00	\$6,634.00	\$1,400	26.75%
GROUNDS/BLDGS REPAIR/MAIN/IMPROVEM	\$0.00	\$0.00	\$0	0.00%
OTHER MATERIALS AND SUPPLIES	\$700.00	\$800.00	\$100	14.29%
OFFICE SUPPLIES/MINOR EQUIPMENT/SOFTW	\$9,900.00	\$10,760.00	\$860	8.69%
EDUCATIONAL MATERIAL	\$300.00	\$300.00	\$0	0.00%
INSURANCE RELATED EXPENSES	\$250.00	\$250.00	\$0	0.00%
WORKERS COMPENSATION CHARGES	\$2,000.00	\$2,000.00	\$0	0.00%
LIABILITY CHARGES	\$650.00	\$3,250.00	\$2,600	400.00%
RENTAL	\$64,291.98	\$64,996.65	\$705	1.10%
TOTAL OPERATING	\$1,087,901.84	\$1,188,912.00	\$101,010	9.28%

Note: the above Operational Expenditures do NOT include the designated "Pass-Thru" Expenses (which are outlined on the next page).

KGIS Pass-Thru Expenditures								
FY 2022 - as of May 1, 2021								
COUNTY	Operating: Software Maintenance: ESRI	Operating: Software Maintenance: Sidwell	Operating Maintenance: Software: Citrix	Capital Services: Sidwell CAMA	Capital Equipment: Citrix Server		FY 2022 Total	Previous Year Budget
Community Development	\$ -						\$ -	\$ 327.88
Engineering / Public Works	\$ 15,685.13					\$7,869 already received	\$ 15,685.13	\$ 13,040.32
Health	\$ 3,517.88		\$ 1,142.40		\$ -		\$ 4,660.28	\$ 4,392.73
Parks	\$ 586.31		\$ 201.60				\$ 787.91	\$ 743.15
Property Assessor	\$ 6,841.89	\$22,465			\$0		\$ 29,307.22	\$ 42,606.33
Sheriff	\$ 1,845.78						\$ 1,845.78	\$ 3,846.85
Trustee	\$ -						\$ -	\$ 983.64
Total Pass-Thru Billable Costs	\$ 28,477.00	\$ 22,465.00	\$ 1,344.00	\$ -			\$ 52,286.00	\$65,940.90
CITY	Operating: Software Maintenance: ESRI							
Community Development	\$ 586.32						\$ 586.32	\$ 544.65
Engineering	\$ 23,898.93						\$ 23,898.93	\$ 22,200.44
Fire	\$ 2,127.67						\$ 2,127.67	\$ 1,976.46
IS	\$ 267.79						\$ 267.79	\$ 288.04
Police	\$ 9,092.74						\$ 9,092.74	\$ 8,796.33
Policy & Communication	\$ 352.97						\$ 352.97	\$ 327.88
S Waterfront	\$ 352.97						\$ 352.97	\$ 327.88
Parks	\$ 2,480.63						\$ 2,480.63	\$ 2,304.33
Total Pass-Thru Billable Costs	\$ 39,160.00						\$ 39,160.00	\$36,766.00
KUB	Operating: Software Maintenance: ESRI	Operating: Software Maintenance: Telvent	Operating: Software Maintenance: Bentley	Operating: Services: Avertium Security	Capital: Aerial			
Various Depts	\$ 156,120.00	\$ 78,530.00	\$ 10,876.00	\$ (5,000.00)	\$ 283,277.00		\$ 523,803.00	\$ 238,535.24
Total Pass-Thru Billable Costs	\$ 156,120.00	\$ 78,530.00	\$ 10,876.00	\$ (5,000.00)	\$ 283,277.00		\$ 523,803.00	\$238,535.24
Planning	ESRI							
Various Depts	\$ 13,247.00						\$ 13,247.00	\$ 23,329.00
Total Pass-Thru Billable Costs	\$ 13,247.00						\$ 13,247.00	\$23,329.00
E911	ESRI							
Mapping	\$ 1,564.00						\$ 1,564.00	\$ 1,453.00
Total Pass-Thru Billable Costs	\$ 1,564.00						\$ 1,564.00	\$1,453.00
Schools	ESRI							
Transportation Services	\$ 3,045.00						\$ 3,045.00	\$ 3,484.00
Total Pass-Thru Billable Costs	\$ 3,045.00						\$ 3,045.00	\$3,484.00
EMA	ESRI							
Transportation Services	\$ 353.00						\$ 353.00	\$ 328.00
Total Pass-Thru Billable Costs	\$ 353.00						\$ 353.00	\$328.00
							Total Pass Through	
	Total Pass Thru ESRI	\$ 241,966.00					\$ 633,458.00	\$ 369,836.14
	KGIS portion (via Operatir	\$ 120,034.00						
	total ESRI (including KGIS)	\$ 362,000.00						

4. Budget Approval for FY 2022

4 (v). (continued)

The Executive Committee unanimously agreed with this budget request.

Policy Board Action

Approve Budget for FY 2022

5. Public Comment

5.

In accordance with KGIS Bylaws the Policy Board shall provide an opportunity for public comments.

<i>Agenda</i>
1 Call to Order / Change Chair
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Policy Board Action

None Required

6. Next Policy Board Meeting \ Adjournment

6 (v).

The next regular Policy Board meeting is scheduled for Friday, August 27, 2021 at 1:30 pm.

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1 Call to Order / Change Chair
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Policy Board Action

Adjourn the Meeting

APPENDIX A

Long Range Forecast												
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	5/1/2021											
	2021											
Capital Aerial		Aerial + Lidar		Aerial + Lidar + Topo	Aerial	Aerial + Lidar	Aerial	Aerial + Lidar	Aerial	Aerial	Aerial	Aerial+Lidar
Beginning Balance	35,001		0	0	0	0	0	0	0	0	0	0
Revenues (Budget)	0	0	0	0	0	0	0	0	0	0	0	0
Revenues (Other)	0	0	0	0	0	0	0	0	0	0	0	0
Transfer In	(2)	170,000	0	190,000	250,000	80,000	0	180,000	0	80,000	0	190,000
Expenditures	(34,999)	(170,000)	0	(190,000)	(250,000)	(80,000)	0	(180,000)	0	(80,000)	0	(190,000)
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0
Capital Equipment		Production	Migration + Test/Dev	SAN	Ent Server	Firewall	Production	Test / Dev	SAN	Ent Server	Firewall	Production
Beginning Balance	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Revenues (Budget)	0	0	0	0	0	0	0	0	0	0	0	0
Revenues (Non-Budgeted)	0	0	0	0	0	0	0	0	0	0	0	0
Transfer In (Out)	55,681	110,800	362,000	75,000	26,500	93,500	74,300	109,500	45,000	50,000	70,000	104,300
Expenditures	(55,681)	(110,800)	(362,000)	(75,000)	(26,500)	(93,500)	(74,300)	(109,500)	(45,000)	(50,000)	(70,000)	(104,300)
Ending Balance	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Capital Non-Designated												
Beginning Balance	453,697	547,851	418,786	213,338	104,890	(15,058)	(32,006)	50,246	(82,702)	28,850	55,402	141,954
External Revenues	149,833	151,735	156,552	156,552	156,552	156,552	156,552	156,552	156,552	156,552	156,552	156,552
Aerial Transfer In (Out)	2	(170,000)	0	(190,000)	(250,000)	(80,000)	0	(180,000)	0	(80,000)	0	(190,000)
Equipment Transfer In (Out)	(55,681)	(110,800)	(362,000)	(75,000)	(26,500)	(93,500)	(74,300)	(109,500)	(45,000)	(50,000)	(70,000)	(104,300)
Ending Balance	547,851	418,786	213,338	104,890	(15,058)	(32,006)	50,246	(82,702)	28,850	55,402	141,954	4,206
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
TOTAL CAPITAL												
FUND BALANCE	547,850	418,785	213,337	104,889	-15,059	-32,007	50,245	-82,703	28,849	55,401	141,953	4,205