

ORDINANCE NO. 180512

Authorizing the Director of Finance to borrow \$9.1 million from the Kansas City Water Services Department in order to provide local matching funds for a flood control project being constructed by the United States Army Corps of Engineers (“Corps”) pursuant to a Project Partnership Agreement (“PPA”); establishing Fund No. 3321, the 2018 Flood Control Fund; appropriating \$9.1 million from the Unappropriated Fund Balance of the Water Fund; estimating and appropriating \$9.1 million in the 2018 Flood Control Fund; authorizing the Director of Water services to expend up to \$6.1 million towards the PPA; designating requisitioning authority; declaring the intent of the City to reimburse itself from bond proceeds for certain expenditures; authorizing the Director of Finance to close project accounts, and recognizing this ordinance as having an accelerated effective date.

WHEREAS, pursuant to Ordinance No. 110283, the City authorized the Director of Water Services to enter into the Swope Park Industrial Area Flood Reduction Project (“Swope Park Industrial Area Project”) PPA with the Corps; and

WHEREAS, the Corps will construct a levee to provide protection from up to the 1% flood from the Blue River as a part of the Swope Park Industrial Area Project. The City will be required to relocate a City-owned pump station and adjacent sanitary lines in order to build the levee. The current vehicular access to the Swope Park Industrial Area Project is frequently blocked by trains. The City will construct a flyover bridge which will allow businesses to have access to the Industrial Area and eliminate the at-grade railroad crossing. A western embankment will also be constructed; and

WHEREAS, the Corps has requested that the City provide local matching funds (“Match”) of \$6.1 million for the completion of the levee pursuant to the PPA; and

WHEREAS, the City will require an additional \$3 million for relocation of utilities, the western embankment and flyover bridge (“Additional Improvements”); and

WHEREAS, the City intends to fund the Match and Additional Improvements through an Memorandum of Understanding (MOU) between the Finance and Water Services Departments of the City of Kansas City, Missouri; and

WHEREAS, the City intends to reimburse the principal of the inter-fund borrowing through proceeds of general obligation bonds issued in fiscal years 2020-2021;
NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

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Section 1. That the Director of Finance is hereby authorized to borrow an amount not to exceed of \$9,100,000.00 from the Water Fund at an interest rate of 2.75%, to be repaid pursuant to one or more MOU between the Finance and Water Services Department. The Finance and Water Services Directors are hereby authorized to execute a MOU setting forth the terms of the inter-fund borrowing. Proceeds pursuant to the MOU shall be appropriated to provide the Match for construction of flood control works by the Corps payable by August 1, 2018.

Section 2. That Fund No. 3321, the 2018 Flood Control Fund, is hereby established in the records of the City of Kansas City, Missouri.

Section 3. That the sum of \$9,100,000.00 is hereby appropriated from the Unappropriated Fund Balance of the Water Fund to the following accounts:

19-8010-129998-903321 Transfer to the 2018 Flood Control Fund \$9,100,000.00

Section 4. That the revenue in the following account of the 2018 Flood Control Fund, is hereby estimated in the following amount:

AL-3321-120000-508010 Transfer from the Water Fund \$9,100,000.00

Section 5. That the sum of \$9,100,000.00 is hereby appropriated from the Unappropriated Fund Balance of the 2018 Flood Control Fund, to the following account:

AL-3321-808055-B-89002672 Swope Park Industrial District \$9,100,000.00

Section 6. That the Director of Water Services is hereby authorized to expend up to \$6,100,000.00 towards the PPA.

Section 7. That the Director of Finance is hereby designated as requisitioning authority for Account No. 19-8010-129998 and the Director of Water Services is hereby designated as requisitioning authority for Account No. AL-3321-808055-89002672.

Section 8. That the City hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on and after the date of this ordinance with respect to the appropriation listed in Section 5 (“Project”) with the proceeds of bonds expected to be issued by the City. The maximum principal amount of bonds expected to be issued for the Project is not to exceed \$9,100,000.00. This constitutes a declaration of official intent under Treasury Regulation Section 1.150-2.

Section 9. That the Director of Finance is hereby authorized to close project accounts, encumbrances, retainage balances and return any unspent project funds from which it came upon the earliest of: (i) Project’s completion; (ii) final maturity of financing or (iii) five years after issuance.

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Section 10. That this Ordinance is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter in that it appropriates money, and shall take effect in accordance with that section.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Randall J. Landes
Director of Finance

Approved as to form and legality:

Katherine Chandler
Assistant City Attorney