



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: Committee Substitute for 230859
Submitted Department/Preparer: Finance
Revised 8/3/23

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in [Administrative Regulation \(AR\) 4-1](#).

Executive Summary

Estimating revenue and adjusting appropriations in various funds in connection with the first quarter budget analysis for FY2023-24, as well as designating requisitioning authority and recognizing the ordinance as having an accelerated effective date.

Discussion

This is the annual first quarter clean-up ordinance to address anomalies in connection with the first quarter budget analysis of FY2023-24.

Explanation of First Quarter clean-up items:

Section 1.

This section estimates \$9,000,000.00 in Ground Emergency Medical Transportation (GEMT) revenue to the Fire Capital Sales Tax Fund to reflect revenue already collected as it relates to an inter-fund loan between the General Fund and the Fire Capital Sales Tax Fund.

The effect of **Section 1** on the fund balance of the Fire Capital Sales Tax Fund is as follows:

FUND BALANCE IMPACT

Net Change to Fund Balance: Increase of \$9,000,000.00

New Estimated Fund Balance: \$14,099,166.00

Section 2.

This section estimates \$580,000.00 in revenue to the General Services Fund, which is an internal service fund. Extra security in the amount of \$580,000.00 is being provided at the 11th and Oak Parking Garage and the 11th and Cherry Parking Garage that was not contemplated in the FY2023-24 adopted budget. The source of this funding will be from the Unappropriated Fund Balance of the Parking Garage Fund as provided for in **Section 4**.

Section 3.

This section appropriates the \$580,000.00 in extra parking garage security referenced in **Section 2** to the citywide security contract account of the General Services Fund.

This section also appropriates \$901,464.20 from the Unappropriated Fund Balance of the General Services Fund to provide funding for emergency city building repairs.

The combined effect of **Section 2** and **Section 3** on the fund balance of the General Services Fund is as follows:

FUND BALANCE IMPACT

Net Change to Fund Balance: Decrease of \$901,464.20

New Estimated Fund Balance: \$31,216.00

Section 4.

This section appropriates \$580,000.00 from the Unappropriated Fund Balance of the Parking Garage Fund to the accounts for the 11th and Oak Parking Garage and the 11th and Cherry Parking Garage to provide funding for the reimbursement to the General Services Fund, in which the extra security referenced in **Section 2** will be charged.

The effect of **Section 4** on the fund balance of the Parking Garage Fund is as follows:

FUND BALANCE IMPACT

Net Change to Fund Balance: Decrease of \$580,000.00

New Estimated Fund Balance: \$996,226.00

Section 5.

This section appropriates \$2,381,000.00 from the Unappropriated Fund Balance of the General Fund for the following purposes:

Transfer to the Land Bank Fund in the amount of \$306,000.00 to provide additional funding for mowing and abatement of Land Bank properties. This funding is directed by Ordinance 220538.

Transfer to the Capital Improvements Fund in the amount of \$600,000.00 to reimburse 4th District PIAC for funds previously applied toward the cost of public improvements related to the Lux Living, LLC Katz building redevelopment. Ordinance 210514 directed that Surplus TIF funds from the Midtown Redevelopment TIF Plan would be used to reimburse 4th District PIAC in FY2023-24.

Transfer of \$500,000.00 from the General Fund to the City Legal Expense Fund for additional legal claims and an additional appropriation of \$500,000.00 for Outside Attorney Consulting.

Appropriation of \$265,000.00 for the Housing and Community Development Department for personnel costs above budget.

Appropriating \$400,000.00 for a digital equity initiative in the Neighborhoods Department.

Each City Council Office will have an annual budget of \$40,000.00. An appropriation of \$210,000.00 is needed this fiscal year to reflect the prorated amount of additional funding ($\$17,500.00 \times 12 = \$210,000.00$).

The effect of **Section 5** on the fund balance of the General Fund is as follows:

FUND BALANCE IMPACT

Net Change to Fund Balance: Decrease of \$2,381,000.00

New Estimated Fund Balance: \$233,112,597.00*

*Committee Substitute is reducing appropriations required from the General Fund when compared to

the First Quarter Report.

Section 6.

This section estimates and recognizes \$306,000.00 in revenue to the Land Bank Fund due to the transfer from the General Fund.

Section 7.

This section appropriates \$306,000.00 to Clean Neighborhoods in the Land Bank Fund for additional mowing and abatement of Land Bank properties.

The effect of **Section 6** and **Section 7** on the fund balance of the Land Bank Fund is as follows:

FUND BALANCE IMPACT

Net Change to Fund Balance: \$0.00

New Estimated Fund Balance: \$0.00

Section 8.

This section estimates and recognizes \$500,000.00 in revenue to the City Legal Expense Fund due to the transfer from the General Fund.

Section 9.

This section appropriates \$500,000.00 to General Liability in the City Legal Expense Fund, as referenced in **Section 5**.

The effect of **Section 8** and **Section 9** on the fund balance of the City Legal Expense Fund is as follows:

FUND BALANCE IMPACT

Net Change to Fund Balance: \$0.00

New Estimated Fund Balance: \$0.00

Section 10.

This section appropriates \$600,000.00 from the Unappropriated Fund Balance of the Arterial Street Impact Fee Fund to the Line Creek Pkwy 62-68th Street Project. These funds were appropriated via Ordinance No. 220361 and should have been rolled forward to the current fiscal year from FY2022-23.

The effect of **Section 10** on the fund balance of the Arterial Street Impact Fee Fund is as follows:

FUND BALANCE IMPACT

Net Change to Fund Balance: Decrease of \$600,000.00

New Estimated Fund Balance: \$6,812,912.00

Section 11.

This section estimates additional revenue of \$755,788.54 in the Capital Improvements Fund. \$600,000.00 of the revenue represents the transfer from the General Fund to reimburse 4th District PIAC, as discussed in the **Section 5** detail. \$155,788.54 of the revenue represents a MoDOT reimbursement for the capital improvements at Route 152 and Platte Purchase Drive.

Section 12.

This section decreases revenue by \$485,639.29 in the Capital Improvements Fund. This results from grant revenue from MoDOT that the City no longer anticipates receiving.

Section 13.

This section reduces the grants matching reserve appropriation in the Capital Improvements Fund by \$1,000,000.00 to take advantage of federal grant matching in the current fiscal year to cover a shortfall in funding for the trail system extension along I-29 from Route 152 to NW 112th Street and to fund the grant match in partnership with the Mid-America Regional Council for a sustainability corridor grant from the US Department of Transportation, referenced in Section 14.

Section 14.

This section appropriates a total of \$8,977,788.54 from the Unappropriated Fund Balance of the Capital Improvements Fund.

\$3,300,000.00 is appropriated to the General Services Department to fund emergency city building repairs and City Hall elevator maintenance/upgrades.

\$700,000.00 is appropriated from the grants matching appropriation to take advantage of federal grant matching in the current fiscal year to cover a shortfall in funding for the trail system extension along I-29 from Route 152 to NW 112th Street.

\$1,500,000.00 is appropriated to Dangerous Buildings Demolition, requisitioning authority with the Neighborhoods Department, for the demolition of the Swope Ridge Geriatric Center, which is a dangerous building.

\$350,000.00 is appropriated to fund a grant match in partnership with the Mid-America Regional Council for a sustainability corridor grant from the US Department of Transportation.

This section also makes additions to Public Improvement Advisory Committee (PIAC) district allocation accounts:

1st District:

\$437,000.00 increase due to reconciliation to FY2022-23 actuals and higher capital improvements sales tax revenue than estimated

2nd District:

\$437,000.00 increase due to reconciliation to FY2022-23 actuals and higher capital improvements sales tax revenue than estimated

\$155,788.54 increase to reflect reimbursement for R-152 and Platte Purchase Drive Interchange Project

3rd District:

\$437,000.00 increase due to reconciliation to FY2022-23 actuals and higher capital improvements sales tax revenue than estimated

4th District:

\$437,000.00 increase due to reconciliation to FY2022-23 actuals and higher capital improvements sales tax revenue than estimated
\$600,000.00 increase to reflect reimbursement from the Midtown TIF Plan for the Lux Living, LLC Katz building public improvements

5th District:

\$437,000.00 increase due to reconciliation to FY2022-23 actuals and higher capital improvements sales tax revenue than estimated

6th District:

\$437,000.00 increase due to reconciliation to FY2022-23 actuals and higher capital improvements sales tax revenue than estimated

The effect of **Section 11**, **Section 12**, **Section 13**, and **Section 14** on the fund balance of the Capital Improvements Fund is as follows:

FUND BALANCE IMPACT

Net Change to Fund Balance: Decrease of \$7,957,639.29

New Estimated Fund Balance: \$23,778,279.71*

*Future obligations will impact this fund balance, including: \$10.9 million for sidewalk improvements adjacent to schools and upcoming five-year CIP will allocate a portion of fund balance based on capital asset scoring.

Section 15.

This section appropriates \$1,000,000.00 from the Unappropriated Fund Balance of the Public Mass Transportation Fund to provide funding for the Van Brunt and 31st Street improvement design. This section also appropriates \$82,200.00 for Bike Share.

The effect of **Section 15** on the fund balance of the Public Mass Transportation Fund is as follows:

FUND BALANCE IMPACT

Net Change to Fund Balance: Decrease of \$1,082,200.00

New Estimated Fund Balance: \$6,477,305.00

Section 16.

This section appropriates \$1,000,000.00 from the Unappropriated Fund Balance of the Public Safety Sales Tax Fund. The purpose of this funding is to provide \$1 million for Vision Zero.

The effect of **Section 16** on the fund balance of the Public Safety Sales Tax Fund is as follows:

FUND BALANCE IMPACT

Net Change to Fund Balance: Decrease of \$1,000,000.00

New Estimated Fund Balance: \$2,682,945.00*

The First Quarter Report will vary from this estimated Fund Balance by \$1 million to reflect the Detention Center Campus item removed from the Committee Substitute.

Section 17.

This section appropriates \$3,965,601.23 from the Unappropriated Fund Balance of the

Neighborhood Tourist Development Fund (NTDF) to provide funding pursuant to RSMo 92.336.

The effect of **Section 17** on the fund balance of the Neighborhood Tourist Development Fund is as follows:

FUND BALANCE IMPACT

Net Change to Fund Balance: Decrease of \$3,965,601.23

New Estimated Fund Balance: \$293,250.00

Section 18.

This section reduces the appropriation in the Housing Trust Fund by \$771,640.00 to reflect funding that should not have rolled forward from FY2022-23.

The effect of **Section 18** on the fund balance of the Housing Trust Fund is as follows:

Net Change to Fund Balance: Increases fund balance from an estimated negative \$771,640.00 to zero

New Estimated Fund Balance: \$0.00

Section 19.

This section appropriates the entire Unappropriated Fund Balance of the Museum Fund, totaling \$303,629.39.00, to be passed through to the Kansas City Museum for museum operations pursuant to the agreement with the KC Museum Foundation.

The effect of **Section 19** on the fund balance of the Museum Fund is as follows:

Net Change to Fund Balance: Decrease of \$303,629.39.00

New Estimated Fund Balance: \$0.00

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No
2. What is the funding source?
Various funding sources; see Discussion Section and admin/approp sheet
3. How does the legislation affect the current fiscal year?
This legislation estimates revenue and adjusts appropriations in various funds for the remainder of Fiscal Year 2023-24.
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

N/A

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?

N/A

Office of Management and Budget Review

(OMB Staff will complete this section.)

- 1. This legislation is supported by the general fund. Yes No
- 2. This fund has a structural imbalance. Yes No
- 3. Account string has been verified/confirmed. Yes No

Additional Discussion (if needed)

Click or tap here to enter text.

Citywide Business Plan (CWBP) Impact

- 1. View the [FY23 Citywide Business Plan](#)
- 2. Which CWBP goal is most impacted by this legislation?
Finance and Governance (Press tab after selecting.)
- 3. Which objectives are impacted by this legislation (select all that apply):
 - Reform the City's economic incentives to meet the policy objectives of the City Council
 - Ensure the resiliency of City government
 - Engage in workforce planning including employee recruitment, development, retention, and engagement
 - Ensure a responsive, representative, engaged, and transparent City government
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Prior Legislation

210514 - Approving an Industrial Development Plan for Lux Living, LLC for the purpose of the acquisition and construction of a commercial multifamily apartment complex and a related parking garage, located at 3948 Main Street, Kansas City,

Missouri; authorizing and approving various agreements for the purpose of setting forth covenants, agreements and obligations of the City and Lux Living, LLC or its affiliate or designee, including a \$600,000.00 City contribution from previously appropriated 4th District PIAC funds; authorizing the issuance of taxable industrial development revenue bonds in a maximum aggregate principal amount not to exceed \$32,000,000; authorizing and approving certain other documents; authorizing certain other actions in connection with the issuance of said bonds; directing the City Manager to include an appropriation in a proposed budget for fiscal year 2023-24 to reimburse the 4th District PIAC fund up to \$600,000.00 for funds utilized for the Project; and recognizing this ordinance as having an accelerated effective date.

230720 - Establishing Fund No. 2190, Marijuana Sales Tax Fund, on the books and record of the City of Kansas City, Missouri; estimating revenue in the amount of \$458,000.00 in the Marijuana Sales Tax Fund; appropriating \$458,000.00 from the Unappropriated Fund Balance of the Violence Prevention portion of the Marijuana Sales Tax Fund to provide additional funding for Aim 4 Peace; and designating requisitioning authority.

220538 - Reducing appropriations in the American Rescue Plan Fund reserve by \$300,000.00; increasing appropriations in the American Rescue Plan by \$300,000.00 for Clean Neighborhoods programs to allow for additional funding for mowing and abatement of Land Bank properties; directing the City Manager to include in the FY2023-24 Budget Submittal \$306,000.00 of additional funding for mowing and abatement of Land Bank properties; and recognizing an accelerated effective date.

Service Level Impacts

Other Impacts

1. What will be the potential health impacts to any affected groups?
N/A
2. How have those groups been engaged and involved in the development of this ordinance?
N/A
3. How does this legislation contribute to a sustainable Kansas City?

N/A

4. Department staff certifies the submission of any applicable Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), Non-Discrimination documents, and Letters of Intent to Subcontract (LOIs) to CREO prior to the legislation entry request in Legistar.

No - CREO's review is not applicable
Please provide reasoning why not:
N/A

5. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

No

6. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?

No