



Agenda - Final

Finance, Governance and Public Safety Committee

Katheryn Shields, Chair
Heather Hall, Vice Chair
Ryana Parks-Shaw
Melissa Robinson
Lee Barnes
Kevin McManus

Wednesday, December 14, 2022

10:30 AM

26th Floor, Council Chamber

Meeting Link: <https://us02web.zoom.us/j/84530222968>

PUBLIC OBSERVANCE OF MEETINGS

Members of the City Council may attend this meeting via videoconference.

Any closed session may be held via teleconference.

The public can observe this meeting at the links provided below.

Applicants and citizens wishing to participate have the option of attending each meeting or they may do so through the videoconference platform ZOOM, using this link:
<https://us02web.zoom.us/j/84530222968>

Director of the Law Department

221038

Sponsor: Director of the Law Department

Approving and authorizing settlement of lawsuit entitled *Tonya Lovelace v. City of Kansas City, Missouri*, Case No. 2116-CV12296, in the amount of \$300,000.00.

Attachments: [No Fact Sheet Provided 221038](#)
[221038 Docket Memo](#)

Director of the Law Department

221039

Sponsor: Director of the Law Department

Approving and authorizing settlement of lawsuit entitled *Sheldon Jackson v. City of Kansas City, Missouri*, Case No. 1916-CV20548, in the amount of \$110,000.00.

Attachments: [docket memo-jackson](#)
[No Fact Sheet 220139](#)

Director of the Law Department

[221040](#) Sponsor: Director of the Law Department

Approving and authorizing settlement of a claim for a Workers' Compensation benefit filed by Mario Rangel (No. 20-096729) for injuries resulting from an accident on September 24, 2020, employed by the City.

Attachments: [docket memo-rangel](#)
[No Fact Sheet 221040](#)

Director of Finance

[221046](#) Sponsor: Director of the Finance Department

Authorizing the issuance, sale and delivery of not to exceed \$115,000,000.00 Sanitary Sewer System Improvement Revenue Bonds, Series 2023A of the City of Kansas City, Missouri, for the purpose of rehabilitating, expanding and improving the City's sanitary sewer system, prescribing the form and details of said bonds and the covenants and agreements made by the City to facilitate and protect the payment thereof; prescribing other matters relating thereto; and estimating and appropriating \$2,120,000.00 in the Sewer Revenue Bond Fund Series 2023A.

Attachments: [Sewer Accounting Form.pdf](#)
[Ordinance 221046 and 221047 Series 2023A Water and Sanitary Sewer Bonds](#)
[Sewer Docket Memo.pdf](#)

Director of Finance

[221047](#) Sponsor: Director of the Finance Department

Authorizing and directing the issuance, sale and delivery of not to exceed \$65,000,000.00 principal amount of Water Revenue Bonds, Series 2023A, of the City of Kansas City, Missouri, prescribing the form and details of such revenue bonds; authorizing certain actions and documents and prescribing other matters relating thereto; and estimating and appropriating \$1,300,000.00 in the Water Revenue Bond Fund Series 2023A.

Attachments: [Water Accounting Forms.pdf](#)
[Ordinance 221046 and 221047 Series 2023A Water and Sanitary Sewer Bonds](#)
[Water Docket Memo.pdf](#)

McManus

[221048](#) Sponsor: Councilmember Kevin McManus

Cancelling the City Council standing committee meetings and business and legislative sessions for the weeks of March 27, 2023, May 29, 2023, July 3, 2023, July 17, 2023, July 24, 2023, August 28, 2023, September 4, 2023, November 13, 2023, November 20, 2023, December 18, 2023 and December 25, 2023.

Attachments: [No Fact Sheet 221048](#)

Director of Health

[221049](#) Sponsor: Director of the Health Department

Amending Chapter 46, Code of Ordinances, entitled “Noise Control” by repealing and replacing 46-39 and 46-40 with new Sections 46-39 and 46-40 of like title and by adding a new 46-50, entitled “Penalties-Court,” for the purpose of adding back a municipal court penalty section.

Attachments: [Noise Control Amd FY23 - Docket Memo](#)

Director of Health

[221050](#) Sponsor: Director of the Health Department

Approving a professional services contract with Lighthouse Lab Services for the amount of \$100,000.00 for laboratory services consulting; and authorizing the Director of Health to extend the term of the contract or increase the total contract dollar amount upon need and appropriation without further Council approval.

Attachments: [Lab Services Consultant FY23 - Docket Memo](#)
[Ordinance 221050-HD76221-SLBE Exempt](#)

Director of Health

[221051](#) Sponsor: Director of the Health Department

Accepting and approving a five-year, \$7,087,394.00 grant from the Centers for Disease Control and Prevention to provide funding to assist in workforce development and meeting public health foundational capabilities in Kansas City, Missouri; estimating and appropriating \$7,087,394.00 in the Health Grants Fund; designating requisitioning authority; and recognizing this ordinance as having an accelerated effective date.

Attachments: [Infrastructure Grant FY23 - Docket Memo](#)
[221051 Grant Budget](#)
[Infrastructure Grant FY23 - Budget](#)
[No Fact Sheet 221051](#)

221055

Sponsor: Director of Neighborhood Services Department

Accepting \$250,000.00 grant from the Ewing Marion Kauffman Foundation for its Small Business Capital Access Initiative, a collaborative with the City of Kansas City, local chambers, entrepreneurial support organizations (ESOs), community development financial institutions (CDFIs), and banks to provide technical assistance for application prep and financial counseling to entrepreneurs; estimating revenue and appropriating the amount of \$250,000.00 in the General Grants Fund; establishing requisitioning authority; and recognizing this ordinance as having an accelerated effective date.

Attachments: [Grant Agreement](#)

[SMB Capital Application Prep Program](#)

[TMP-2501 Fact Sheet](#)

[TMP-2501 Docket Memo](#)

[TMP-2501 Fiscal Note](#)

[ORDINANCE accepting Kauffman grant to BizCare for SMB Capital Access Grant](#)

Lucas

221062

Sponsor: Mayor Quinton Lucas and the Director of the Health Department

Appropriating \$250,000.00 from the Unappropriated Fund Balance of the Health Fund to the Victim-Witness Relocation Program account; directing the Director of Health to issue a solicitation for handling the distribution of the funds to victims and witnesses; and authorizing the Director to enter into a contract with the selected proposer.

Attachments: [No Fact Sheet 221062](#)

HELD IN COMMITTEE

Director of the Law Department

221016

Sponsor: Director of the Law Department

Authorizing the City Attorney to execute a contract with the Kansas City Area Transportation Authority whereby the City will provide the Kansas City Area Transportation Authority certain litigation services during the period from January 1, 2023, through December 31, 2023, and receive \$166,372.44 for the provision of these services.

Attachments: [No 221016 no fact sheet](#)

[TMP-2523 Docket Memo](#)

Director of Neighborhoods

221026

Sponsor: Director of Neighborhoods Services Department

Approving contracts in the amount of \$108,900.00 from previously appropriated funds in the Neighborhood Tourist Development Fund with various nonprofit organizations for the purpose of promoting neighborhoods and tourism through cultural, social, ethnic, historic, educational, and recreational activities.

Attachments: [221026 Ordinance](#)
[221026 Fiscal Note](#)
[Docket Memo \(TMP-2507\)](#)
[221026 Ordinance](#)
[Ordinance TMP-2507 \(NTDF\)](#)
[NTDF Council Presentation December 2022 - 4th Quarter FY2022-23](#)

Director of Finance

220937

Sponsor: Director of Finance Department

Adopting the 2024-2028 Citywide Business Plan including City Goals, the Financial Strategic Plan, and the Balanced Scenario of the Five-Year Planning Model; and directing the City Manager to align departmental strategic plans and business plans to the Citywide Business Plan.

Attachments: [CWBP Fact Sheet](#)
[CWBP Fiscal Note](#)

ADDITIONAL BUSINESS

1. There may be an additional general discussion regarding current Finance, Governance, and Public Safety Committee issues.
2. Comments received will be distributed to the committee and added to the public record by the clerk. The city provides several ways for residents to watch City Council meetings

Live Stream on the city's website at www.kcmo.gov

• Live Stream on the city's YouTube channel at <https://www.youtube.com/watch?v=3hOublg4fok>

Watch Channel 2 on your cable system. The channel is available through Time Warner Cable (channel 2 or 98.2), AT&T U-verse (channel 99 then select Kansas City), and Google Fiber on Channel 142.

- To watch archived meetings, visit the City Clerk's website and look in the Video on Demand section:

http://kansascity.granicus.com/ViewPublisher.php?view_id=2

Those who wish to comment on proposed ordinances can provide testimony to public.testimony@kcmo.org.

3. Closed Session

Pursuant to Section 610.021 subsection 1 of the Revised Statutes of Missouri to discuss legal matters, litigation, or privileged communications with attorneys;

- Pursuant to Section 610.021 subsection 2 of the Revised Statutes of Missouri to discuss real estate;
- Pursuant to Section 610.021 subsections 3 and 13 of the Revised Statutes of Missouri to discuss personnel matters;
- Pursuant to Section 610.021 subsection 9 of the Revised Statutes of Missouri to discuss employee labor negotiations;
- Pursuant to Section 610.021 subsection 11 of the Revised Statutes of Missouri to discuss specifications for competitive bidding;
- Pursuant to Section 610.021 subsection 12 of the Revised Statutes of Missouri to discuss sealed bids or proposals; or
- Pursuant to Section 610.021 subsection 17 of the Revised Statutes of Missouri to discuss confidential or privileged communications with the auditor

The City Clerk's Office now has equipment for the hearing impaired for every meeting. To check out the equipment, please see the secretary for each committee. Be prepared to leave your Driver's License or State issued Identification Card with the secretary, and she / He will give you the equipment. The City Clerk's Office will return your license upon returning the equipment.

Adjournment



File #: 221038

ORDINANCE NO. 221038

Sponsor: Director of the Law Department

Approving and authorizing settlement of lawsuit entitled *Tonya Lovelace v. City of Kansas City, Missouri*, Case No. 2116-CV12296, in the amount of \$300,000.00.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the payment of the sum of \$300,000.00 in settlement of the lawsuit styled *Tonya Lovelace v. City of Kansas City, Missouri*, Case No. 2116-CV12296, as recommended by the City Attorney and the Risk Management Committee, is hereby approved.

Section 2. That the City Attorney is hereby authorized to pay the sum of \$300,000.00 in settlement of said claims in this lawsuit from funds previously appropriated charge in Account No. 23-7010-131543-B, City Legal Expense Fund.

..end

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.

Tammy L. Queen
Director of Finance

Approved as to form:

Tara M. Kelly
Senior Associate City Attorney

No
Fact
Sheet
Provided
For
Ordinance
221038



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Law

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

Approving a settlement of \$300,000 for Lovelace v. KCMO, Case No. 2116-CV12296.

Discussion

Plaintiff brought a lawsuit claiming race discrimination. The proposed settlement resolves all liability, damages, attorneys' fees, and includes the resignation of the employee.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No

2. What is the funding source?

7010-131543-618200 - Public Official Liability

3. How does the legislation affect the current fiscal year?

Decreases available funds by \$300,000.

4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

No.

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

No.

Budget Review

(Staff will complete this section.)



City of Kansas City, Missouri

Docket Memo

- 1. This legislation is supported by the general fund. Yes No
- 2. This fund has a structural imbalance. Yes No

Additional Discussion (if needed)

Click or tap here to enter text.

Citywide Business Plan Impact

List which goals and objectives in the Citywide Business Plan are impacted.

Prior Legislation

None.

Service Level Impacts

None.

Other Impacts

- 1. What will be the potential health impacts to any affected groups?
None.
- 2. How have those groups been engaged and involved in the development of this ordinance?
Not applicable.
- 3. How does this legislation contribute to a sustainable Kansas City?
Not applicable.
- 4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?
No.
- 5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?



City of Kansas City, Missouri

Docket Memo

Not applicable.



File #: 221039

ORDINANCE NO. 221039

Sponsor: Director of the Law Department

Approving and authorizing settlement of lawsuit entitled *Sheldon Jackson v. City of Kansas City, Missouri*, Case No. 1916-CV20548, in the amount of \$110,000.00.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the payment of the sum of \$110,000.00 in settlement of the lawsuit styled *Sheldon Jackson v. City of Kansas City, Missouri*, Case No. 1916-CV20548, as recommended by the City Attorney and the Risk Management Committee, is hereby approved.

Section 2. That the City Attorney is hereby authorized to pay the sum of \$110,000.00 in settlement of said claims in this lawsuit from funds previously appropriated charge in Account No. 23-7010-131543-B, City Legal Expense Fund.

..end

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.

Tammy I. Queen
Director of Finance

Approved as to form:

Tara M. Kelly
Senior Associate City Attorney



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Law

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

Approving a settlement of \$110,000 for Jackson v. KCMO, Case No. 1916-CV20548.

Discussion

Plaintiff brought a lawsuit claiming disability discrimination, hostile work environment (disability), retaliation, and workers' compensation retaliation. The proposed settlement resolves all liability, damages, and attorneys' fees.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No

2. What is the funding source?

City Legal Expense Fund - 23-7010-131543-B-618200

3. How does the legislation affect the current fiscal year?

Decreases available funds by \$110,000.

4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

No.

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

No.

Budget Review

(Staff will complete this section.)



City of Kansas City, Missouri

Docket Memo

- 1. This legislation is supported by the general fund. Yes No
- 2. This fund has a structural imbalance. Yes No

Additional Discussion (if needed)

Click or tap here to enter text.

Citywide Business Plan Impact

List which goals and objectives in the Citywide Business Plan are impacted.

Prior Legislation

None.

Service Level Impacts

None.

Other Impacts

- 1. What will be the potential health impacts to any affected groups?
None.
- 2. How have those groups been engaged and involved in the development of this ordinance?
Not applicable.
- 3. How does this legislation contribute to a sustainable Kansas City?
Not applicable.
- 4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?
No.
- 5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?

City of Kansas City, Missouri



Docket Memo

Not applicable.

No
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Provided
For
Ordinance
221039



File #: 221040

ORDINANCE NO. 221040

Sponsor: Director of the Law Department

Approving and authorizing settlement of a claim for a Workers' Compensation benefit filed by Mario Rangel (No. 20-096729) for injuries resulting from an accident on September 24, 2020, employed by the City.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That settlement of the claim of Mario Rangel for Workers' Compensation benefits against the City of Kansas City, Missouri, for any and all injuries resulting from an accident while employed by the City, as more fully set forth and subject of a formal claim, Case No. 20-096729, presently pending before the Division of Workers' Compensation of the State of Missouri, by payment to Mario Rangel of the sum of \$53,695.41, as recommended by the City Attorney and Risk Management Committee, is hereby approved.

Section 2. That the City Attorney is hereby authorized to pay the sum of \$53,695.41, in settlement of said claim from funds heretofore appropriated in Account No. 23-7020-071402-B-610400.

..end

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.

Tammy L. Queen
Director of Finance

Approved as to form:

Ann K. Booton

Associate City Attorney



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Law

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

To seek City Council approval and authorization of \$53,695.41 for the settlement of a Workers' Compensation claim asserted by Mario Rangel in Claim No. 20-096729.

Discussion

This ordinance will approve the settlement of a Workers' Compensation Claim asserted by Mario Rangel related to an incident on September 24, 2020 while employed by the Fire Department. The Law Department and Risk Management Committee recommend a settlement of \$53,695.41.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No

2. What is the funding source?

23-7020-071402-B-610400

3. How does the legislation affect the current fiscal year?

The current fiscal year will experience a reduction in funds for the settlement amount as described above.

4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

No.

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

No.



City of Kansas City, Missouri

Docket Memo

Budget Review

(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

Additional Discussion (if needed)

Click or tap here to enter text.

Citywide Business Plan Impact

Finance and Governance.

Prior Legislation

None.

Service Level Impacts

The ordinance should not impact service levels.

Other Impacts

- 1. What will be the potential health impacts to any affected groups?
None.
- 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?
This ordinance would have no impact on sustainability.
- 4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the City Charter (Chapter 38, titled "Civil Rights")?
No - such does not apply.



City of Kansas City, Missouri

Docket Memo

5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the City Charter (Chapter 3, titled "Contracts and Leases")?

No - such does not apply.

No
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Provided
For
Ordinance
221040



File #: 221046

ORDINANCE NO. 221046

Sponsor: Director of the Finance Department

Authorizing the issuance, sale and delivery of not to exceed \$115,000,000.00 Sanitary Sewer System Improvement Revenue Bonds, Series 2023A of the City of Kansas City, Missouri, for the purpose of rehabilitating, expanding and improving the City’s sanitary sewer system, prescribing the form and details of said bonds and the covenants and agreements made by the City to facilitate and protect the payment thereof; prescribing other matters relating thereto; and estimating and appropriating \$2,120,000.00 in the Sewer Revenue Bond Fund Series 2023A.

WHEREAS, the City of Kansas City, Missouri (the “City”), is a constitutional charter city, organized and existing under the constitution and laws of the State of Missouri; and

WHEREAS, the City now owns and operates a revenue producing sewerage system, consisting of sanitary sewers and combined sewers, serving the City, its inhabitants and others within its service area, including connected and related appurtenances and facilities and extensions, improvements, additions and enlargements made or acquired by the City after the date of this Ordinance (the “Sanitary Sewer System” or “System”); and

WHEREAS, the City desires to rehabilitate, expand and improve the Sanitary Sewer System (as defined herein) and desires to finance the proposed extensions and improvements to the Sanitary Sewer System, in whole or in part, from the proceeds of revenue bonds; and

WHEREAS, the City is authorized under the provisions of Chapter 250 of the Revised Statutes of Missouri, as amended (the “Act”) to issue and sell revenue bonds for the purpose of paying all or part of the cost of rehabilitating, expanding and improving the Sanitary Sewer System, with the cost of operation and maintenance of the Sanitary Sewer System and the principal of and interest on revenue bonds payable solely from the Net Sanitary Sewer Revenues (as defined below); and

WHEREAS, pursuant to the Act, a special bond election was duly held in the City on April 5, 2022 (the “2022 Election”) on the following question:

QUESTION NO. 2

Shall the City of Kansas City, Missouri, issue sanitary system revenue bonds in the principal amount of \$750,000,000.00 for the purpose of rehabilitating, expanding

and improving of the City’s sanitary sewer system, including acquiring necessary land and rights of way, in order to provide for its continuing operation and to maintain compliance with federal, state and judicial requirements, with the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the City from the operation of its sanitary sewer system, including all future rehabilitations, improvements and expansions thereto?

and it was found and determined that more than a majority of the qualified electors of the City voting on the question had voted in favor of the issuance of said revenue bonds for the purpose aforesaid, the vote on said question having been 24,977 votes for said question to 6,444 votes against said question; and

WHEREAS, the City Council (the “**Governing Body**”) of the City has caused plans and specifications for extensions and improvements to the Sanitary Sewer System and a cost estimate to be made by the Consulting Engineer (as defined herein) and the plans and specifications and the cost estimate are accepted and approved and are on file in the office of the City Clerk; and

WHEREAS, none of the bonds so authorized at the 2022 Election have been issued and the City finds and determines that it is necessary and advisable and in the best interest of the City and of its inhabitants to issue its Sanitary Sewer System Improvement Revenue Bonds, Series 2023A in an original principal amount not to exceed \$115,000,000 (the “**Series 2023A Bonds**” or the “**Bonds**”) for the purpose of rehabilitating, expanding and improving the Sanitary Sewer System authorized by voters at the 2022 Election, as set forth in the Certificate of Final Terms; and

WHEREAS, the City has issued and has outstanding the following revenue bonds payable from the Net Sanitary Sewer Revenues (defined herein) of the Sanitary Sewer System:

Issue and Series	Original Principal Amount	Outstanding Principal Amount as of December 1, 2022
Sanitary Sewer System Revenue Bonds (State Revolving Fund Program), Series 2004H (the “ Series 2004H Bonds ”)	\$10,500,000	\$1,915,000
Sanitary Sewer System Revenue Bonds (State of Missouri - Direct Loan Program - ARRA), Series 2009B (the “ Series 2009B Bonds ”)	\$14,387,757.78	\$6,159,900
Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2016A (the “ Series 2016A Bonds ”)	\$183,740,000	\$144,835,000
Sanitary Sewer System Improvement Revenue Bonds, Series 2018A (the “ Series 2018A Bonds ”)	\$165,000,000	\$147,665,000
Sanitary Sewer System Refunding Revenue Bonds, Series 2018B (Forward Delivery) (the “ Series 2018B ”)	\$42,055,000	\$35,645,000

Bonds”)		
Sanitary Sewer System Improvement Revenue Bonds, Series 2019A (the “ Series 2019A Bonds ”)	\$59,735,000	\$56,855,000
Sanitary Sewer System Revenue Bonds (State of Missouri - Direct Loan Program), Series 2021 (the “ Series 2021 Bonds ”)	\$100,000,000	\$37,703,000.55 ⁽¹⁾
Sanitary Sewer System Refunding Revenue Bonds, Series 2021B (the “ Series 2021B Bonds ”)	\$102,765,000	\$93,795,000

⁽¹⁾ Of the total \$100,000,000.00 maximum principal amount authorized for the Series 2021 Bonds, \$37,703,00.55 has been disbursed and issued as of December 1, 2022.

WHEREAS, the City, upon the issuance of the Series 2023A Bonds, will not have outstanding any other bonds or other obligations payable from the Net Sanitary Sewer Revenues (as defined herein) other than the Outstanding Parity Bonds (as defined herein) and the Series 2023A Bonds; and

WHEREAS, under the provisions of the Outstanding Parity Bond Ordinance, the City may issue additional bonds payable out of the Net Sanitary Sewer Revenues that are on a parity with the Outstanding Parity Bonds, in each case only if certain conditions are met; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and its inhabitants that the Series 2023A Bonds be issued and secured in the form and manner provided in this Ordinance to provide funds to rehabilitate, expand and improve the Sanitary Sewer System as authorized by the voters at the 2022 Election, subject to the Certificate of Final Terms and the conditions of the Outstanding Parity Bond Ordinance; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to the words and terms defined in the Recitals and elsewhere in this Ordinance, capitalized words and terms have the following meanings in this Ordinance:

“**Administrative Service Fees**” means that portion of the Current Sanitary Sewer Expenses paid to the general fund of the City for office space and certain administrative, data processing, accounting and other support services provided to the Sanitary Sewer System of the City.

“**Authorized Representative**” means the representative of the City designated in writing by the City.

“**Bond Counsel**” means Gilmore & Bell, P.C. and Hardwick Law Firm, LLC, or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing.

“**Bond Reserve Requirement Funding Commencement Date**” means the first day of the month after a Valuation Date in which the Net Sanitary Sewer Revenues Available for Debt Service are less than the Bond Reserve Debt Service Coverage Requirement for the preceding Fiscal Year.

“**Bond Reserve Debt Service Coverage Requirement**” means with respect to the Series 2023A Bonds, the amount set forth in the Certificate of Final Terms.

“**Bond Reserve Requirement**” means with respect to the Series 2023A Bonds, an amount equal to the average annual debt service with respect to the Outstanding Series 2023A Bonds as calculated after any principal payment on the Series 2023A Bonds (whether at maturity or by redemption).

“**Bondowner**” or “**Registered Owner**” means the individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof in whose name a bond is registered in the Bond Register.

“**Bond Register**” means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the Paying Agent is located are required or authorized by law to remain closed, or (c) a day on which the New York Stock Exchange is closed.

“**Cede & Co.**” means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

“**Certificate of Final Terms**” means **Exhibit B**, executed and delivered by the Mayor pursuant to **Section 211** hereof, in substantially the form attached as **Exhibit C**.

“**City**” means the City of Kansas City, Missouri.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

“**Consultant**” means the Consulting Engineer, an independent certified public accountant or a firm of independent certified public accountants.

“Consulting Engineer” means each independent engineer or engineering firm with experience in designing and constructing wastewater treatment, sanitary sewerage or water pollution control facilities and retained by the City.

“Current Sanitary Sewer Expenses” means all reasonable and necessary expenses of ownership, operation, maintenance and repair of the Sanitary Sewer System and keeping the Sanitary Sewer System in good repair and working order, determined in accordance with generally accepted accounting principles, including current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, Paying Agent fees and expenses, annual audits, periodic Consultant’s reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular Fiscal Year, obligations incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the ownership and operation of the Sanitary Sewer System, but excluding capital lease payments, if any, and interest paid on Sanitary Sewer System Revenue Bonds and depreciation and amortization charges.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and net interest or interest-like payments on the Bonds, all Senior Bonds and all Parity Bonds that are outstanding at the time of such calculation through their respective maturity; *provided, however*, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company qualified to do business in the State of Missouri and having full trust powers and interest to be paid on any SRF Program Bonds may be reduced by the SRF Subsidy, if any.

“Defeasance Securities” means:

- (a) Federal Securities;
- (b) obligations of the Resolution Funding Corporation or any successor, but only if the use of the obligations to pay and discharge Bonds pursuant to **Article XI** will cause the discharged Bonds to be rated in the highest long-term rating category by the Rating Agency; or
- (c) obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any state that:
 - (i) are not callable at the option of the obligor prior to maturity or for which irrevocable instructions have been given by the obligor to call on the date specified in the instructions, and

(ii) are fully secured as to principal, redemption premium and interest by a fund, consisting of cash or Federal Securities, that:

(A) may be applied only to the payment of principal, redemption premium and interest on the obligations, and

(B) is sufficient, as verified by a nationally recognized independent certified public accountant, to pay the principal, redemption premium and interest on the obligations.

“Director” means, in reference to the Department of Water Services of the City, the Director or any Deputy Director of the Department of Water Services of the City, and in reference to the Department of Finance of the City, the Director or any Acting Director of the Department of Finance of the City.

“Federal Securities” means any direct obligation of, or obligation the timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America and backed by its full faith and credit.

“Federal Tax Certificate” means the City’s Federal Tax Certificate relating to the Series 2023A Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

“Fiscal Year” means the City’s fiscal year then in effect.

“Fitch” means Fitch, Inc. or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City.

“Interest Payment Date” means the semi-annual dates set forth in the *Certificate of Final Terms*.

“Moody’s” means Moody’s Investors Service or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City.

“Net Sanitary Sewer Revenues” means Sanitary Sewer Revenues less Current Sanitary Sewer Expenses.

“Net Sanitary Sewer Revenues Available for Debt Service” means, for the period of determination, Sanitary Sewer Revenues less Current Sanitary Sewer Expenses.

“Notice of Bond Sale” means the Notice of Bond Sale authorized by **Section 211** hereof.

“**Ordinance**” means this Ordinance as from time to time amended in accordance with its terms.

“**Outstanding**” means, as of the date of determination, all Bonds issued and delivered under this Ordinance, except:

(1) Bonds cancelled by the Paying Agent or properly delivered to the Paying Agent for cancellation;

(2) Bonds for the payment of the principal or redemption price of and interest on which money or Defeasance Securities are held under **Section 1101** hereof;

(3) Bonds in exchange for which, or in lieu of which, other Bonds have been registered and delivered pursuant to this Ordinance; and

(4) Bonds allegedly mutilated, destroyed, lost, or stolen and paid under **Section 209** hereof.

“**Outstanding Parity Bonds**” means collectively, the Series 2004H Bonds, the Series 2009B Bonds, the Series 2016A Bonds, the Series 2018A Bonds, the Series 2018B Bonds, the Series 2019A Bonds, the Series 2021 Bonds and the Series 2021B Bonds.

“**Outstanding Parity Bond Ordinance**” means collectively, the Series 2004H Ordinance, the Series 2009B Ordinance, the Series 2016A Ordinance, the Series 2018A Ordinance, the Series 2018B Ordinance, the Series 2019A Ordinance, the Series 2021 Ordinance and the Series 2021B Ordinance.

“**Parity Bonds**” means the Outstanding Parity Bonds and any parity bonds issued under **Section 902** hereof payable from the Net Sanitary Sewer Revenues on a parity basis with the Bonds.

“**Parity Ordinance**” means the Outstanding Parity Bond Ordinance and the ordinance under which any other Parity Bonds are issued.

“**Participants**” means those financial institutions for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

“**Paying Agent**” means the paying agent for the Series 2023A Bonds appointed by the Director of Finance.

“**Permitted Investments**” means any of the following securities, if and to the extent the same are at the time legal for investment of the moneys held in the funds and accounts listed in **Section 401** hereof:

- (a) United States Treasury Securities (Bills, Notes, Bonds and Strips).

(b) United States Agency/GSE Securities. The City may invest in obligations issued or guaranteed by any agency of the United States Government and in obligations issued by any government sponsored enterprise (GSE) which have a liquid market and a readily determinable market value that are described as follows:

(i) U.S. Govt. Agency Coupon and Zero Coupon Securities.

(ii) U.S. Govt. Agency Discount Notes.

(iii) U.S. Govt. Agency Callable Securities. Restricted to securities callable at par only.

(iv) U.S. Govt. Agency Step-Up Securities. The coupon rate is fixed for an initial term. At the step-up date, the coupon rate rises to a new, higher fixed interest rate.

(v) U.S. Govt. Agency Floating Rate Securities. Restricted to coupons with no interim caps that reset at least quarterly and that float off of only one index.

(vi) U.S. Govt. Agency/GSE Mortgage Backed Securities (MBS, CMO, Pass-Thru Securities). Restricted to securities with final maturities of five (5) years or less or have the final projected payment no greater than five (5) years when analyzed in a +300 basis point interest rate environment.

(c) Repurchase Agreements. The City may invest in contractual agreements between the City and commercial banks or primary government securities dealers. The Securities Industry & Financial Markets Association's (or any successor's) guidelines for the Master Repurchase Agreement will be used and will govern all repurchase agreement transactions. All repurchase agreement transactions will be either physical delivery or tri-party.

(d) Bankers' Acceptances. The City may invest in bankers' acceptances issued by domestic commercial banks possessing the highest credit rating issued by Moody's Investors Services, Inc. ("Moody's") or Standard and Poor's Corporation ("Standard & Poor's").

(e) Commercial Paper. The City may invest in commercial paper issued by domestic corporations, which has received the highest short-term credit rating issued by Moody's or Standard & Poor's. Eligible paper is further limited to issuing corporations that have total assets in excess of five hundred million dollars (\$500,000,000.00) and are not listed on Credit Watch with negative implications by any nationally recognized credit rating agency at the time of purchase.

(f) Municipal Securities (State and Local Government Obligations). The City may invest in municipal obligations that are issued in either tax-exempt or taxable form.

(i) Any full faith and credit obligations of the State of Missouri rated at least A or A2 by Standard & Poor's or Moody's.

(ii) Any full faith and credit obligations of any city, county or school district in the State of Missouri rated at least AA or Aa2 by Standard & Poor's or Moody's.

(iii) Any full faith and credit obligations, revenue, or special obligation bonds of the City of Kansas City, Missouri rated at least A or A2 by Standard & Poor's or Moody's.

(vi) Any full faith and credit obligation of any state or territory of the United States of America rated at least AA or Aa2 by Standard & Poor's or Moody's.

(v) Any full faith and credit obligations of any city, county or school district in any state or territory of the United States of America rated AAA or Aaa by Standard & Poor's or Moody's.

(vi) Any revenue bonds issued by the Missouri Department of Transportation rated at least AA or Aa2 by Standard & Poor's or Moody's.

(vii) Any municipal obligation that is pre-refunded or escrowed to maturity as to both principal and interest with escrow securities that are fully guaranteed by the United States Government, without regard to rating by Standard & Poor's or Moody's.

(g) Money market mutual funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, rated in either of the two highest categories by Moody's and Standard & Poor's (in either case without regard to any modifier).

(h) Such other investments not described above that are allowed pursuant to Missouri law and approved in the City's charter.

References to particular ratings and rating categories in this definition are applicable only at the time of purchase of the Permitted Investment.

"Purchase Contract" means, in the event the Series 2023A Bonds are sold pursuant to a Negotiated Sale as permitted by **Section 211(a)(2)** hereof, the Purchase Contract relating to the Series 2023A Bonds between the City and the Purchaser.

"Purchaser" means the original purchaser or purchasers of the Series 2023A Bonds selected by the City in accordance with **Section 211** hereof and specified in the Certificate of Final Terms.

"Rating" means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

"Rating Agencies" or **"Rating Agency"** means Fitch, Moody's, and Standard & Poor's or any successors thereto and any other nationally recognized credit rating agency then maintaining a rating on any Bonds at the request of the City. If at any time a particular Rating

Agency does not have a rating outstanding with respect to the relevant Bonds, then a reference to Rating Agency or Rating Agencies shall not include such Rating Agency.

“Record Date” means the 15th day (whether or not a Business Day) of the calendar month next preceding the applicable Interest Payment Date.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of this Ordinance.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Sewer Fund” means the account ratified by Section 401 hereof.

“Sanitary Sewer Revenues” means all income and revenues derived by the City from the Sanitary Sewer System, including any amounts deposited in the Sewer Fund, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition of investments or fixed or capital assets not in the ordinary course of business.

“Sanitary Sewer System” or **“System”** means the City’s sanitary sewerage system, including sanitary sewers, combined sewers, lift and pumping stations, treatment plants, with the appurtenances necessary, useful and convenient for the collection, treatment, purification and disposal of the sewage and shall include any part of the system located outside of the corporate limits of the City, and shall also include all extensions and improvements in and to the system hereafter made or acquired by the City, wherever located.

“Sanitary Sewer System Revenue Bonds” means collectively the Bonds, Parity Bonds and all other revenue bonds which are payable from the Net Sanitary Sewer Revenues.

“Securities Depository” means initially, The Depository Trust Company, New York, New York, and its successors and assigns.

“Series 2004H Bonds” means the City’s Sanitary Sewer System Revenue Bonds (State Revolving Fund Program), Series 2004H, dated December 9, 2004, in the original principal amount of \$10,500,000.00.

“Series 2004H Bond Ordinance” means Committee Substitute for Ordinance No. 041202 passed on November 4, 2004, and Ordinance No. 041314 passed on November 18, 2004.

“Series 2009B Bonds” means the City’s Sanitary Sewer System Revenue Bonds (State of Missouri – Direct Loan Program – ARRA), Series 2009B, dated December 18, 2009, in the original principal amount of \$14,387,757.78.

“Series 2009B Bond Ordinance” means Committee Substitute for Ordinance No. 090968 passed on December 3, 2009.

“Series 2016A Bonds” means the City’s Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2016A, dated February 10, 2016, in the original principal amount of \$183,740,000.00.

“Series 2016A Bond Ordinance” means Ordinance No. 151037 passed on December 17, 2015.

“Series 2018A Bonds” means the City’s Sanitary Sewer System Improvement Revenue Bonds, Series 2018A, dated February 14, 2018, in the original principal amount of \$165,000,000.00.

“Series 2018A Bond Ordinance” means Ordinance No. 171029 passed on January 18, 2018.

“Series 2018B Bonds” means the City’s Sanitary Sewer System Refunding Revenue Bonds, Series 2018B (Forward Delivery), dated October 4, 2018, in the original principal amount of \$42,055,000.00.

“Series 2018B Bond Ordinance” means Ordinance No. 171030 passed on January 18, 2018.

“Series 2019A Bonds” means the City’s Sanitary Sewer System Improvement Revenue Bonds, Series 2019A, dated July 2, 2019, in the original principal amount of \$59,735,000.00.

“Series 2019A Bond Ordinance” means Ordinance No. 190401 passed on May 23, 2019.

“Series 2021 Bonds” means the City’s Sanitary Sewer System Revenue Bonds (State of Missouri - Direct Loan Program), Series 2021, dated April 28, 2021, in the maximum original principal amount of \$100,000,000.00.

“Series 2021 Bond Ordinance” means Ordinance No. 210312 passed on April 15, 2021.

“Series 2021B Bonds” means the City’s Sanitary Sewer System Refunding Revenue Bonds, Series 2021B, dated November 16, 2021, in the original principal amount of \$102,765,000.00.

“Series 2021B Bond Ordinance” means Ordinance No. 210846 passed on September 23, 2021.

“Series 2023A Bonds” or **“Bonds”** means the City of Kansas City, Missouri, Sanitary Sewer System Improvement Revenue Bonds, Series 2023A.

“**SRF Program Bonds**” means the Series 2004H Bonds, the Series 2009B Bonds, the Series 2021 Bonds and any additional bonds issued under the State Revolving Fund Program administered jointly by the Missouri Department of Natural Resources and the State Environmental Improvement and Energy Resources Authority of the State.

“**SRF Subsidy**” means the amount of investment earnings which will accrue on the reserve account for any SRF Program Bonds during each Fiscal Year.

“**Standard & Poor’s**” or “**S&P**” means S&P Global Ratings, a division of Standard & Poor’s Financial Services, LLC, or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City.

“**State**” means the State of Missouri.

“**State Revolving Fund Program**” means the Missouri Leveraged State Water Pollution Control Revolving Fund Program of the Missouri Department of Natural Resources.

“**Stated Maturity**” when used with respect to any Bond or any installment of interest thereon means the date specified in the Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“**Surplus Account**” means the fund or account created or ratified and confirmed by **Section 401** hereof.

“**Valuation Date**” means the first Business Day of the month following the presentation of the annual financial statement of the System to the Governing Body, but in no event later than November 30th of any year.

ARTICLE II **AUTHORIZATION OF BONDS**

Section 201. Authorization of Bonds. The Bonds are authorized and directed to be issued in a series designated as the Sanitary Sewer System Improvement Revenue Bonds, Series 2023A in an aggregate original principal amount not to exceed \$115,000,000.00 for the purposes set forth in this Ordinance.

Section 202. Security for Bonds.

(a) The Bonds are special, limited obligations of the City payable solely from, and secured by a pledge of, the Net Sanitary Sewer Revenues. The taxing power of the City is not pledged to the payment of the Bonds. The Bonds do not constitute a general obligation of the City or an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction.

(b) The Bonds are issued on a parity with the Outstanding Parity Bonds.

Section 203. Description of the Bonds.

(a) The Bonds shall consist of fully registered bonds without coupons, numbered from R-1 upward, in the denomination of \$5,000.00 or any integral multiple thereof and not exceeding the principal amount of Bonds maturing in the year in which such Bond becomes due, as may be specified by the Owner of such Bond. The Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be substantially in the form set forth in **Section 204** of this Ordinance, with appropriate insertions and deletions as are approved by the Mayor, which approval will be conclusively evidenced by the Mayor's signature on the Bonds. The Bonds shall be subject to registration, transfer and exchange as provided in **Section 207** of this Ordinance. The Bonds shall be dated their date of delivery, shall become due in the amounts on the Stated Maturities (subject to optional and mandatory redemption prior to their Stated Maturities as provided in **Article III** hereof), and shall bear interest at the rates per annum to be determined upon the sale of the Bonds as set forth in the Certificate of Final Terms.

(b) At the election of the Purchaser of the Series 2023A Bonds, term Series 2023A Bonds may be issued in lieu of serial Bonds with Stated Maturities as in this **Section 203** provided that such term Bonds shall be subject to mandatory redemption in the annual amounts and on the dates set forth in this **Section 203** as the Stated Maturities for such term Bonds.

(c) The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from the most recent Interest Payment Date to which interest has been paid in full or, if no interest has been paid, from their date of delivery. Interest on the Bonds shall be payable semiannually on each Interest Payment Date in each year, commencing on the date set forth in the Certificate of Final Terms, and at their Stated Maturity. Interest on the Bonds is computed on the basis of a 360-day year of twelve 30-day months from their date or from the most recent Interest Payment Date to which interest has been paid or provided for and is payable on each Interest Payment Date.

Section 204. Form of Bond. The Bonds will be in substantially the following form, with appropriate insertions and deletions as are approved by the Mayor, which approval will be conclusively evidenced by the Mayor's signature on the Bond:

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**Registered
No. R-___**

**Registered
\$_____**

**CITY OF KANSAS CITY, MISSOURI
SANITARY SEWER SYSTEM IMPROVEMENT REVENUE BOND
SERIES 2023A**

Interest Rate Maturity Date Dated Date CUSIP Number
_____ % _____, 20____, 2023 _____

REGISTERED OWNER: _____ **CEDE & CO.**

PRINCIPAL AMOUNT: _____
DOLLARS

THE CITY OF KANSAS CITY, MISSOURI, a constitutional charter city and political subdivision of the State of Missouri (the “**City**”), for value received, hereby promises to pay to the Owner shown above, or registered assigns, the Principal Amount shown above on the Maturity Date shown above, and to pay interest thereon at the annual Interest Rate referenced above (computed on the basis of a 360-day year of twelve 30-day months), payable semiannually on January 1 and July 1 in each year, commencing [_____ 1], [20__] (each an “**Interest Payment Date**”), from the Dated Date shown above or from the most recent Interest Payment Date to which interest has been paid or duly provided for until the Principal Amount has been paid.

The principal of and redemption premium, if any, on this Bond will be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date, upon presentation and surrender of this Bond at the principal office of Security Bank of Kansas City, Kansas City, Kansas (the “**Paying Agent**”). The interest payable on this Bond on any Interest Payment Date will be paid by check or draft mailed by the Paying Agent to the person in whose name this Bond is registered on the registration books maintained by the Paying Agent at the close of business on the Record Date. The Record Date is the fifteenth day (whether or not a business day) of the calendar month next preceding the Interest Payment Date. The principal of and redemption premium, if any, and interest on this Bond is payable by electronic transfer in immediately available federal funds to a bank in the continental United States of America pursuant to instructions from the Owner received by the Paying Agent prior to the Record Date. The principal of, redemption premium, if any, and interest on this Bond is payable in lawful money of the United States of America.

This Bond is one of a duly authorized series of bonds of the City designated “Sanitary Sewer System Improvement Revenue Bonds, Series 2023A” aggregating the principal amount of \$[_____] (the “**Series 2023A Bonds**”), issued by the City for the purpose of rehabilitating, expanding and improving the Sanitary Sewer System under the authority of and in full compliance with Chapter 250 of the Revised Statutes of Missouri, as amended, and pursuant to an election duly held in the City and Ordinance No. [22_____] passed by the governing body of the City (the “**Ordinance**”).

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the

nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or delivered to the Paying Agent as the Securities Depository's "FAST Agent." The book-entry system will evidence positions held in the Bonds by the Securities Depository's Participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such Participants. Transfer of ownership shall be affected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The City, the bond registrar and the Paying Agent will recognize the Securities Depository nominee, while the Registered Owner of this Bond, as the Owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on this Bond (ii) notices, and (iii) voting. Transfers of principal, interest and any redemption premium payments to beneficial owners of the Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such beneficial owners. The City, the bond registrar and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provisions hereinabove contained payments of principal of and interest on this Bond shall be made in accordance with existing arrangements among the City, the Paying Agent and the Securities Depository.

EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE THE GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

The City hereby covenants with the Registered Owner of this Bond that it will keep and perform all covenants and agreements contained in the Ordinance, and will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, as will produce revenues sufficient to pay the costs of operation and maintenance of the System, pay the principal of and interest on the Bonds as and when the same become due and provide reasonable and adequate reserve funds. Reference is made to the Ordinance for a description of the covenants and agreements made by the City with respect to the collection, segregation and application of the revenues of the System, the nature and extent of the security for the Bonds, the rights, duties and obligations of the City with respect thereto, and the rights of the Registered Owners thereof.

At the option of the City, Bonds or portions thereof maturing on [January 1, 20___], and thereafter may be called for redemption and payment prior to their Stated Maturity on [January 1, 20___], and thereafter in whole or in part at any time in such amounts for each Stated Maturity as shall be determined by the City at a Redemption Price equal to 100% of the principal amount, plus accrued interest thereon to the Redemption Date.

[Bonds maturing on [January 1, 20___], are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance on

[January 1, _____], and on each January 1 thereafter prior to maturity, at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date.]

The Series 2023A Bonds will be optionally redeemed in part in integral multiples of \$5,000.00 from the maturities selected by the City. Upon redemption, the sinking fund redemption amounts for each maturity will be proportionately reduced, subject to rounding to integral multiples of \$5,000.00. The City will give written notice to the Paying Agent, designating the amount of each maturity redeemed and the reduction in each sinking fund installment, subject to verification by the Paying Agent.

The Paying Agent will give notice of redemption, unless waived, by mailing a redemption notice by first class mail, postage prepaid at least 30 days prior to the date fixed for redemption, to the Owner of each Bond to be redeemed at the address shown on the Bond Register. If notice of redemption has been given or waived, the Bonds or portions of Bonds called for redemption will become due and payable on the redemption date at the redemption price specified in the notice. From and after the redemption date the Bonds called for redemption will cease to bear interest unless the City defaults in the payment of the redemption price.

The Bonds are limited obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Sanitary Sewer Revenues (as defined in the Ordinance). The taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. The Bonds do not constitute a general obligation of the City or an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction. Under the conditions set forth in the Ordinance, the City has the right to issue additional parity bonds payable from, and secured by, the Net Sanitary Sewer Revenues. The Bonds are issued on a parity with respect to payment of principal and interest from the Net Sanitary Sewer Revenues and in all other respects with the Outstanding Parity Bonds (as defined in the Ordinance).

The City covenants with the Owner of this Bond to keep and perform all covenants and agreements contained in the Ordinance, and the City will fix, establish, maintain and collect rates, fees and charges for the use and services furnished by or through the Sanitary Sewer System to produce Sanitary Sewer Revenues sufficient to pay the operation and maintenance costs of the Sanitary Sewer System, pay the principal of and interest on the Bonds and provide reasonable and adequate reserve funds. Reference is made to the Ordinance for a description of the agreements made by the City with respect to the collection, segregation and application of the Sanitary Sewer Revenues, the nature and extent of the security for the Bonds, the rights, duties and obligations of the City with respect to the Bonds, and the rights of the Owners.

This Bond may be transferred or exchanged, as provided in the Ordinance, only upon the registration books kept for that purpose at the above-mentioned office of the Paying Agent. Upon surrender of any Bond at the principal office of the Paying Agent, the Paying Agent will transfer or exchange the Bond for a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount as the Bond which was presented for transfer or exchange. All Bonds presented for transfer or exchange must be accompanied by a

written instrument of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Owner or by the Owner's authorized agent. All Bonds presented for transfer or exchange must be surrendered to the Paying Agent for cancellation. For every exchange or transfer of Bonds the City or the Paying Agent may levy a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid for the exchange or transfer. The charge must be paid by the person requesting the exchange or transfer. Payment of the charge is a condition precedent to the exchange or transfer.

This Bond will not be valid or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication has been executed by the Paying Agent.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law, and that before the issuance of the Bonds, provision has been duly made for the collection, segregation and application of the income and revenues of the Sanitary Sewer System as provided in the Ordinance.

IN WITNESS WHEREOF, the City of Kansas City, Missouri, has executed this Bond by causing it to be signed by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its City Clerk, with its official seal affixed or imprinted.

CERTIFICATE OF AUTHENTICATION

CITY OF KANSAS CITY, MISSOURI

This Bond is one of the Bonds of the issue described in the within-mentioned Ordinance.

By: _____
Mayor

Registration Date: _____

(SEAL)

SECURITY BANK OF KANSAS CITY, Paying Agent

ATTEST:

By: _____
Authorized Signatory

By: _____
City Clerk

=====

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Print or Type Name of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints agent to transfer the within Bond on the registration books kept by the Paying Agent, with full power of substitution in the premises.

Dated: _____

By: _____

NOTICE: The signature to this assignment must correspond with the name of the Owner as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

_____, Authorized Officer
Security Bank of Kansas City

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15).

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Section 205. Designation of Paying Agent.

(a) The Director of Finance shall designate the Paying Agent for the payment of the principal of and interest on the Bonds and Bond Registrar with respect to the registration, transfer and exchange of Bonds.

(b) The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties of Paying Agent and Bond Registrar hereunder. The City reserves the right to appoint a successor Paying Agent by (1) filing with the bank or trust company then performing such function a notice of the termination of such bank or trust company and appointing a successor, and (2) causing notice to be given by first class mail to each Bondowner. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of the Paying Agent.

(c) Every Paying Agent appointed hereunder shall at all times be (1) a commercial banking association or corporation or trust company located in the State of Missouri organized and in good standing and doing business under the laws of the United States of America or of the State of Missouri and subject to supervision or examination by federal or state regulatory authority and (2) shall have a reported capital (exclusive of borrowed capital) plus surplus of not less than \$100,000,000.00 or consideration may be given by the City to a bank not meeting this amount if the bank submits an acceptable form of guarantee for its financial obligations to the City. If such institution publishes reports of conditions at least annually pursuant to law or regulation, then for the purposes of this **Section 205** the capital and surplus of such institution shall be deemed to be its capital and surplus as set forth in its most recent report of condition so published.

(d) The Paying Agent shall be paid in accordance with its proposal for fees and expenses submitted to the Director of Finance as an operating expense of the System.

Section 206. Method and Place of Payment of Bonds.

(a) Payment of the Bonds will be made with any coin or currency that is legal tender for the payment of debts due the United States of America on the payment date.

(b) Each payment of principal of and redemption premium, if any, payable on each Bond will be made at maturity or upon earlier redemption to the Owner shown in the Bond Register at the maturity or optional redemption date of each Bond, upon presentation and surrender of the Bond at the principal office of the Paying Agent. The payment of interest payable on each Bond on any Interest Payment Date will be made by check or draft mailed by the Paying Agent to the address of the Owner shown in the Bond Register. The principal of and redemption premium, if any, and interest on the Bonds is payable by electronic transfer in immediately available federal funds to a bank in the continental United States of America pursuant to instructions from any Owner received by the Paying Agent prior to the Record Date.

(c) The Paying Agent will keep a record of payment of principal of, redemption premium, if any, and interest on all Bonds and, at least annually at the request of the City, will forward to the city a copy or summary of the record of payments.

Section 207. Registration, Transfer and Exchange of Bonds.

(a) The City will cause the Paying Agent to keep the Bond Register. Each Bond when issued will be registered in the name of the Owner on the Bond Register. Bonds will be transferred and exchanged only upon the Bond Register.

(b) Upon surrender of any Bond at the principal office of the Paying Agent, the Paying Agent will transfer or exchange the Bond for a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount as the Bond which was presented for transfer or exchange. All Bonds presented for transfer or exchange must be accompanied by a written instrument of transfer or authorization for exchange, in a form and

with guarantee of signature satisfactory to the Paying Agent, duly executed by the Owner or by the Owner's authorized agent. All Bonds presented for transfer or exchange must be surrendered to the Paying Agent for cancellation.

(c) For every exchange or transfer of Bonds the City or the Paying Agent may levy a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid for the exchange or transfer. The charge must be paid by the person requesting the exchange or transfer. Payment of the charge is a condition precedent to the exchange or transfer.

(d) The City and the Paying Agent will treat the person in whose name any Bond is registered as the absolute owner of the Bond, whether or not payment of the Bond is overdue, for the purpose of receiving payment of the principal of, redemption premium, if any, and interest on the Bond and for all other purposes. All payments made to any Owner or upon the Owner's order will be valid and effectual to satisfy and discharge the City's liability for payment of the Bond to the extent of the sum or sums paid. Neither the City nor the Paying Agent will be affected by any notice to the contrary.

(e) At reasonable times and under reasonable rules established by the Paying Agent, the Owners of 25% or more in principal amount of the Outstanding Bonds, or their representative designated in a manner satisfactory to the Paying Agent, may inspect and copy the Bond Register.

Section 208. Execution, Authentication and Delivery of Bonds.

(a) Each Bond must be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and have the official seal of the City affixed or imprinted. If any officer whose manual or facsimile signature appears on any Bond ceases to be an officer before the delivery of any Bond signed by the officer, the manual or facsimile signature on the Bond will be valid and sufficient for all purposes of this Ordinance.

(b) The Mayor and the City Clerk are directed to prepare and execute the Bonds as specified in this **Article II**, and when executed, to deliver the Bonds to the Paying Agent for authentication. Upon authentication, the Paying Agent will deliver the Bonds to the Bondowner, upon payment of the purchase price for the Bonds.

(c) Each Bond will be authenticated by any authorized officer or employee of the Paying Agent. No Bond is entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose until authenticated by the Paying Agent.

Section 209. Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (i) any mutilated Bond is surrendered to the Paying Agent, or the City and the Paying Agent receive evidence to their satisfaction of the mutilation, destruction, loss or theft of any Bond, and (ii) there is delivered to the City and the Paying Agent security or indemnity as required by them, in the absence of notice to the City or the Paying Agent that the Bond has been acquired by a bona fide purchaser, the City will execute and the Paying Agent will register and

deliver, in exchange for or in lieu of any mutilated, destroyed, lost or stolen Bond, a new Bond of the same maturity and of like tenor and principal amount. If the Bond has become or is about to become due, the City may pay the Bond instead of issuing a new Bond.

(b) Upon the issuance of any new Bond under this **Section 209**, the City may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge imposed and any other expenses (including the fees and expenses of the Paying Agent) connected with the issuance of the Bond.

(c) Every new Bond issued pursuant to this **Section 209** in lieu of any mutilated, destroyed, lost or stolen Bond will constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost or stolen Bond is enforceable by anyone at any time, and will be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 210. Cancellation and Destruction of Bonds Upon Payment. All Bonds which have been paid or redeemed or which have otherwise been surrendered to the Paying Agent, either at or before maturity, will be cancelled immediately upon the payment or redemption and the Paying Agent's receipt of the Bonds. Cancelled Bonds will be periodically destroyed by the Paying Agent in accordance with the customary practice of the Paying Agent and applicable retention laws.

Section 211. Method of Sale and Terms of Bonds; Authorization and Execution of Certificate of Final Terms.

(a) Upon the advice and recommendation of Hilltop Securities Inc. and Independent Public Advisors, LLC, as the City's co-financial advisors, the City is hereby authorized to sell the Bonds utilizing one of the following methods:

(1) a competitive public sale ("**Competitive Sale**") pursuant to which the City will sell the Bonds to the bidder offering to purchase the Bonds, based on the principal amounts and maturities set forth in the Notice of Bond Sale, submitting the lowest "true interest cost" as defined therein, subject to the limitations set forth in this **Section 211** and in **Exhibit A** hereto. If the City sells the Bonds via a Competitive Sale, the City is authorized to accept the best bid in accordance with the Certificate of Final Terms, subject to the limitations set forth in **Exhibit A** hereto, and the Director of Finance is authorized to accept the best bid for and on behalf of and as the act and deed of the City; or

(2) a negotiated sale ("**Negotiated Sale**") pursuant to which the City will sell the Bonds to Morgan Stanley & Co., LLC, as senior-managing underwriter, acting on its own behalf and on behalf of American Veterans Group, PBC, Siebert Williams Shank & Co., LLC, UMB Bank, N.A., and Valdés & Moreno, Inc., as co-managing underwriters, under the terms of the Purchase Contract, subject to the limitations set forth in this **Section 211** and in **Exhibit A** hereto. If the City sells the Bonds via a Negotiated Sale, the City is authorized to enter into the

Purchase Contract in accordance with the Certificate of Final Terms, subject to the limitations set forth in **Exhibit A** hereto, and the Director of Finance is authorized to execute the Purchase Contract for and on behalf of and as the act and deed of the City.

(b) The Mayor is authorized and directed to approve the purchase price for the Bonds, the principal amounts by maturity, the interest rates, the terms of credit enhancement, if any, and the other final terms of the Bonds, including applicable redemption provisions, subject to the limitations set forth in this **Section 211** and **Exhibit A** hereto, and in connection therewith, to execute and deliver the Certificate of Final Terms for and on behalf of and as the act and deed of the City, which approval will be conclusively evidenced by the Mayor's execution of the Certificate of Final Terms. Upon execution, the Certificate of Final Terms will be attached to this Ordinance as **Exhibit B**, and the City Clerk is hereby authorized to file the Certificate of Final Terms with this Ordinance.

Section 212. Notice of Bond Sale. In the event the City determines to sell the Bonds via a Competitive Sale as set forth in **Section 211(a)(1)** hereof, the Notice of Bond Sale is hereby ratified and approved. The Director of Finance is hereby authorized to execute the Notice of Bond Sale, and the use and public distribution of the Notice of Bond Sale in connection with the offering for public sale of the Bonds is hereby authorized.

Section 213. Preliminary and Final Official Statement.

(a) The Preliminary Official Statement, in the form on file in the office of the Director of Finance, is hereby ratified and approved, and the final Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Director of Finance is hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the Official Statement by the Purchaser of the Bonds in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

(b) For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information regarding the City contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with such requirement of such Rule.

(c) The City agrees to provide to the Purchaser within seven Business Days of the date of the sale of the Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange

Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 214. Book-Entry Only System.

(a) Notwithstanding any other provision hereof, upon initial issuance of the Bonds, the Bonds shall be registered in the name of Cede & Co., the nominee for The Depository Trust Company, New York, New York (the “**Securities Depository**”). Except as provided in this **Section 214**, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee for the Securities Depository. The definitive Bonds shall be initially issued in the form of one typewritten certificate for each stated maturity of the Bonds.

(b) With respect to the Bonds registered in the name of Cede & Co., as nominee for the Securities Depository, the City and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of whom such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than a Registered Owner, as shown on the Bond Register maintained by the Paying Agent, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a Registered Owner, as shown in the Bond Register maintained by the Paying Agent, of the principal, interest and premium, if any, with respect to the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent shall be entitled to treat and consider the person in whose name each Bond is registered in the Bond Register as the absolute owner of such Bond for the purpose of payment of the principal, interest and premium, if any, with respect to the Bonds, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay the principal, interest and premium, if any, with respect to the Bonds only to or upon the order of the respective Owners, as shown in the Bond Register maintained by the Paying Agent, as provided in this Ordinance, or their representative duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to payment of the principal, interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by the Securities Depository to the Paying Agent of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of Cede & Co., the phrase “**Cede & Co**” in this Ordinance shall refer to such new nominee of the Securities Depository.

(c) **Successor Securities Depository: Transfer Outside Book-Entry Only System.** In the event that (i) the City (or Participants owning at least fifty percent (50%) of the Outstanding Bonds based on current records of the Securities Depository) determines that the Securities Depository is incapable of discharging its responsibilities described herein and in any representation letter (“**Letter of Representations**”) of the City and the Paying Agent to the Securities Depository, (ii) the agreement among the City, the Paying Agent and the Securities

Depository evidenced by any such Letter of Representations, or (iii) the City (or Participants owning at least fifty percent (50%) of the Outstanding Bonds based on current records of the Securities Depository) determines that it is in the best interest of the Beneficial Owners of the Bonds that they be able to obtain certificated Bonds, the City shall (A) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify the Securities Depository and Participants of the appointment of such successor securities depository and transfer one or more Bonds to such successor securities depository, in which event the Bonds shall be registered in the name of the successor securities depository or its nominee, or (B) notify the Securities Depository and Participants of the availability through the Securities Depository of certificated Bonds and transfer one or more separate Bonds to Participants having Bonds credited to their Securities Depository accounts, in which event the Bonds shall be registered in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance. In connection therewith, the Paying Agent may rely conclusively upon information provided by the Securities Depository with respect to the identity and interests of the Participants and upon information provided by said Participants with respect to the Beneficial Owners of the Bonds. The City under such circumstances agrees to provide to the Paying Agent a sufficient supply of Bond certificates to meet the Paying Agent's requirements, including without limitation Bond certificates for use in the case of transfers and exchanges of Bonds.

(d) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of the Securities Depository, all payments of the principal, interest and premium, if any, with respect to such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Letter of Representations of the City and the Paying Agent to the Securities Depository.

Section 215. Persons Deemed Owners of Bonds. The Person in whose name any Bond shall be registered in the Bond Register shall be deemed and regarded by the City, the bond registrar and the Paying Agent as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment therefore or on account thereof and for all purposes, and neither the City, the bond registrar nor the Paying Agent shall be affected by notice to the contrary. Payment of or on account of the principal of, premium, if any, and interest on any Bond shall be made only to or upon the order of the Owner thereof or agent duly authorized in writing. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

ARTICLE III **REDEMPTION OF BONDS**

Section 301. Redemption of Bonds. The Bonds shall be subject to redemption and payment prior to their Stated Maturities as follows:

(a) Mandatory Sinking Fund Redemption. In the event one or more term Series 2023A Bonds are issued as provided in **Section 203** of this Ordinance and as more specifically described in the Certificate of Final Terms, such Series 2023A Bonds shall be subject to

mandatory redemption and payment prior to their Stated Maturity pursuant to the mandatory redemption requirements of this **Section 301(a)** on the dates of the Stated Maturities for serial Series 2023A Bonds at the principal amount thereof plus accrued interest to the Redemption Dates, without premium. The City shall redeem on such dates the principal amounts set forth as serial maturities by this Ordinance and the remaining principal amount of Series 2023A Bonds maturing on the Stated Maturity of the respective term bond, shall be paid at their Stated Maturity.

The Paying Agent shall each year in which Bonds maturing on the Stated Maturity of the respective term bonds, are to be redeemed pursuant to this **Section 301(a)** make timely selection of such Bonds or portion of such Bonds to be so redeemed and shall give notice thereof as hereinafter provided. Upon instructions duly given by the City, moneys deposited in the Series 2023A Debt Service Account may be used at any time after January 1, in the year next preceding the first of such mandatory redemption to purchase term Bonds maturing on the Stated Maturity of the respective term bond, in the open market at a price not in excess of their principal amount and moneys deposited in the Series 2023A Debt Service Account may be used for the purpose of paying interest on the Bonds so purchased at the rate specified thereon to the date of purchase. Each bond so purchased shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Bonds on the next mandatory redemption date applicable to Bonds of such Stated Maturity, and the principal amount of Bonds of such Stated Maturity to be redeemed by operation of the preceding paragraph shall be reduced accordingly.

(b) **Optional Redemption.** At the option of the City, the Series 2023A Bonds or portions thereof may be called for redemption and payment prior to their Stated Maturities in whole or in part at any time in such amounts for each Stated Maturity as shall be determined by the City at a Redemption Price equal to 100% of the principal amount of the Series 2023A Bonds, plus accrued interest thereon to the Redemption Date, as set forth in the Certificate of Final Terms.

Section 302. Selection of Bonds to be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment as herein provided upon receipt at least forty-five (45) days prior to the Redemption Date of a written request of the City; provided, however, that no such request shall be required for mandatory redemption of Bonds pursuant to **Section 301(a)** hereof. Such request shall specify the principal amount of the Bonds to be called for redemption, the Redemption Price or Price(s) and the Redemption Date.

(b) Bonds shall be redeemed in the principal amount of \$5,000.00 or an integral multiple thereof. In the case of a partial redemption of Bonds of the same Stated Maturity, the Bonds to be redeemed shall be selected by the Paying Agent from the Outstanding Bonds of that Stated Maturity by such methods as the Paying Agent shall deem fair and appropriate and which may provide for the selection for redemption of a portion of the principal of Outstanding Bonds of that Stated Maturity that have been issued in a denomination larger than \$5,000.00. The portions of the principal of Outstanding Bonds so selected for partial redemption shall be equal to \$5,000.00 or integral multiples thereof. Any Bond which is to be redeemed only in part shall be submitted to the Paying Agent and delivered to the bond registrar, who shall authenticate and

deliver to the Owner of such Bond, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered. If the Owner of any such Bond of a denomination greater than \$5,000.00 shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the principal amount of such Bond called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption.

(a) The Paying Agent shall give written notice in the name of the City of its intention to redeem and pay Bonds at the principal corporate trust office of the Paying Agent or such other office as the Paying Agent may designate. Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than thirty (30) days prior to the Redemption Date, to each Owner of Bonds to be redeemed, at such Owner's address appearing in the Bond Register. All notices of redemption shall state:

- (1) The Redemption Date;
- (2) The Redemption Price;
- (3) If less than all Outstanding Bonds are to be redeemed, the identification (and in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (4) That on the Redemption Date, the Redemption Price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date;
- (5) The place where such Bonds are to be surrendered for payment of the Redemption Price; and
- (6) The Bond Number and CUSIP number, if any.

(b) With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Paying Agent on or prior to the Redemption Date in an amount sufficient to pay the Redemption Price on the Redemption Date. If such notice is conditional and either the Paying Agent receives written notice from the City that moneys sufficient to pay the Redemption Price will not be on deposit on the Redemption Date, or such moneys are not received on the Redemption Date, then such notice shall be of no force and effect, the Paying Agent shall not redeem such Bonds and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

(c) The failure of the Owner of any Bond to be redeemed to receive written notice mailed as hereinabove provided shall not affect or invalidate the redemption of said Bond. If any

Bond is called for redemption and payment as aforesaid, all interest on such Bond shall cease from and after the date for which such call is made, provided funds are made available to the Paying Agent for its payment on the Redemption Date at the Redemption Price.

(d) The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond to be redeemed.

ARTICLE IV
RATIFICATION AND CREATION OF FUNDS AND ACCOUNTS

Section 401. Ratification and Creation of Funds and Accounts.

(a) The following separate accounts and funds in the treasury of the City are created in, or ratified by, this Ordinance and/or Outstanding Parity Bond Ordinance:

- (1) Sewer Fund;
- (2) Sanitary Sewer Renewal and Replacement Account (the “**Renewal and Replacement Account**”); and
- (3) Sanitary Sewer Surplus Account (the “**Surplus Account**”)

(b) The following separate debt service funds and/or accounts created or acknowledged by the applicable Outstanding Parity Bond Ordinance are hereby acknowledged and ratified (collectively, the “**Outstanding Parity Bond Debt Service Account**”):

- (1) Principal Account, Interest Account and Debt Service Account established for the Series 2004H Bonds;
- (2) Principal Account, Interest Account and Debt Service Fund established for the Series 2009B Bonds;
- (3) Debt Service Account established for the Series 2016A Bonds;
- (4) Debt Service Account established for the Series 2018A Bonds;
- (5) Debt Service Account established for the Series 2018B Bonds;
- (6) Debt Service Account established for the Series 2019A Bonds;
- (7) Principal Account and Interest Account within the Repayment Fund and the Debt Service Fund established for the Series 2021 Bonds; and
- (8) Debt Service Account established for the Series 2021B Bonds.

(c) The following separate reserve funds and/or accounts created or acknowledged by the applicable Outstanding Parity Bond Ordinance are hereby acknowledged and ratified (collectively, the “**Outstanding Parity Bond Debt Service Reserve Account**”):

- (1) Reserve Account established for the Series 2004H Bonds;
- (2) Reserve Account established for the Series 2016A Bonds;
- (3) Reserve Account established for the Series 2018A Bonds;
- (4) Reserve Account established for the Series 2018B Bonds;
- (5) Reserve Account established for the Series 2019A Bonds; and
- (6) Reserve Account established for the Series 2021B Bonds.

(d) In addition, the following separate accounts and funds created or acknowledged by the Series 2021 Bond Ordinance are hereby acknowledged and ratified:

- (1) the Construction Fund.
- (2) Administrative Expense Fund.

(e) There are hereby created the following accounts to be administered and maintained pursuant to this Ordinance:

- (1) Series 2023A Construction Account;
- (2) Series 2023A Costs of Issuance Account;
- (3) Series 2023A Reserve Account;
- (4) Series 2023A Debt Service Account; and
- (5) Series 2023A Compliance Account.

Section 402. Administration of Funds and Accounts.

(a) The Sewer Fund, the Renewal and Replacement Account and the Surplus Account will be maintained and administered by the City while any of the Bonds and the Outstanding Parity Bonds are outstanding.

(b) The other separate funds and accounts created or acknowledged under the Outstanding Parity Bond Ordinance will be maintained and administered by the City while the

applicable series of bonds, for which such funds and accounts were created, are outstanding, all in accordance with the terms of the Outstanding Parity Bond Ordinance.

Section 403. Series 2023A Reserve Account.

(a) The Series 2023A Reserve Account shall not be funded at the time of issuance of the Series 2023A Bonds. Upon the occurrence of a Bond Reserve Requirement Funding Commencement Date, the City shall, pursuant to the provisions of **Section 602** hereof, make equal monthly deposits as provided in the Certificate of Final Terms until the Bond Reserve Requirement is satisfied.

(b) In lieu of making cash deposits to the Series 2023A Reserve Account, the Bond Reserve Requirement may be satisfied by a surety bond, subject to the following requirements: (1) the provider of the surety bond must, at the time of issuance, have a Rating of one of the two highest rating categories by a Rating Agency; (2) the City shall not secure any obligation to the provider of a surety bond by a lien equal to or superior to the lien granted to the Bonds; (3) the surety bond shall have a term of at least one year (or, if less, the remaining term of the Bonds) and shall entitle the City to draw upon or demand payment and receive the amount so requested in immediately available funds on the date of such draw or demand; (4) the surety bond shall permit a drawing by the City for the full stated amount in the event (i) the surety bond expires or terminates for any reason prior to the final maturity of the Bonds, and (ii) the City fails to satisfy the Bond Reserve Requirement by the deposit to the Series 2023A Reserve Account of either (A) cash or Permitted Investments or (B) a letter of credit or a substitute surety bond (“**Substitute Surety Bond**”), or (C) any combination thereof, on or before the date of such expiration or termination; and (5) if the provider of the surety bond commences any insolvency proceedings or is determined to be insolvent or fails to make payments when due on its obligations, the City shall provide a Substitute Surety Bond within sixty (60) days thereafter, and, if no Substitute Surety Bond is obtained by such date, shall fund the Bond Reserve Requirement in equal monthly deposits as described in the Certificate of Final Terms commencing not later than the first day of the month immediately succeeding the date representing the end of such sixty (60) day period. If the event described in clause (5) above occurs, the City shall not relinquish the surety bond at issue until after the Bond Reserve Requirement is fully satisfied by the provision of cash, obligations, or a Substitute Surety Bond or any combination thereof. Any amount received from a draw on the surety bond shall be deposited directly into the Series 2023A Debt Service Account, and such deposit shall constitute the application of amounts in the Series 2023A Reserve Account. Repayment of any draw-down on the surety bond (other than repayments which reinstate the surety bond) and any interest or fees due the provider of the surety bond under such surety bond shall be secured by a lien on the Net Sanitary Sewer Revenues subordinate to payments into the Series 2023A Debt Service Account securing the Bonds.

(c) If the City elects to deposit a Substitute Surety Bond in the Series 2023A Reserve Account in lieu of moneys on deposit therein, then, upon any such deposit, the cash in an amount equal to, or Permitted Investments held therein having a market value equal to, the face amount of the Substitute Surety Bond then being deposited, shall be returned to the City, except that moneys on deposit in such fund which were originally proceeds of any Bonds shall be either

transferred to the Series 2023A Debt Service Account or applied for any other use specified by the City if there shall be delivered to the Paying Agent an Opinion of Bond Counsel to the effect that such other use will not adversely affect the excludability of the interest on the Series 2023A Bonds from the gross income of the Owners thereof for purposes of Federal income taxation and is permitted by the Outstanding Parity Bond Ordinance and the 2022 Election.

(d) The Director of Finance is hereby authorized to execute any and all agreements with a bond surety company (the “**Indemnitor**”) in order to effectuate the issuance of the surety bond, specifically including, but not limited to, any agreement necessary in order to reimburse the Indemnitor for moneys advanced under the surety bond. In the event moneys are advanced by the Indemnitor, the City shall reimburse the Indemnitor from all funds legally available in the Sewer Fund, subject only to the payments required by **Section 602(a) (1)** and **(2)** hereof.

(e) All moneys in any Outstanding Parity Bond Reserve Account shall be used for the payment of principal of and interest on the related series of bonds for which funds might not otherwise be available, or to pay a like amount of the last maturing bonds of such series.

(f) Should the City expend any portion of the Series 2023A Reserve Account and thereby reduce the amount therein below the Bond Reserve Requirement, except for the purpose for retiring all Outstanding Bonds, or should a valuation of the 2023A Reserve Account indicate that it is below the Bond Reserve Requirement, the City shall, subject to the provisions of **subsection (g)** of this **Section 403**, transfer monthly to such Series 2023A Reserve Account, all available funds after providing for the payments and transfers set forth in **Sections 602(a)(1)** and **(2)** hereof, until such Series 2023A Reserve Account shall have again satisfied the Bond Reserve Requirement. Any amounts in the Series 2023A Reserve Account in excess of the Bond Reserve Requirement on any Valuation Date shall be transferred by the City to the Sewer Fund or to such other fund or account described in this **Article IV**.

(g) If at any time the moneys in the Sewer Fund shall be insufficient to make in full any payments and credits at the time required to be made by the City to the bond reserve accounts established by the City to protect the payment of the outstanding Sanitary Sewer System Revenue Bonds of the City including only the Bonds, the Outstanding Parity Bonds and other sanitary system revenue bonds of the City hereafter issued and standing on a parity with the Bonds and the Outstanding Parity Bonds, the available moneys in the Sewer Fund shall be divided among such bond reserve accounts in proportion to the respective principal amounts of said series of Sanitary Sewer System Revenue Bonds of the City at the time outstanding which are payable from the moneys in such bond reserve accounts.

ARTICLE V
APPLICATION OF BOND PROCEEDS

Section 501. Disposition of Bond Proceeds.

(a) The net proceeds received from the sale of the Bonds, including any premium and accrued interest, will be deposited simultaneously with the delivery of the Bonds in accordance with the Certificate of Final Terms.

(b) Amounts remaining in the Series 2023A Costs of Issuance Account on the first day of the sixth month after the date of delivery of the Series 2023A Bonds, shall be transferred to the Series 2023A Construction Account. Upon the completion of the rehabilitations, expansions and improvements to the Sanitary Sewer System to be financed with proceeds of the Series 2023A Bonds, the plans and specifications for which have been approved by the Governing Body, any surplus remaining in the Series 2023A Construction Account shall be deposited in and credited to the Series 2023A Debt Service Account created by **Section 401(e)(4)** of this Ordinance. Any Bond proceeds or investment earnings thereon remaining in the Series 2023A Compliance Account five (5) years and 180 days after the date of issuance of the Series 2023A Bonds shall be disbursed as set forth in **Section 605(d)** of this Ordinance.

(c) Any surplus credited to the Series 2023A Debt Service Account shall be applied by the Paying Agent as directed by the City solely to the payment of principal of, redemption premium, if any, and interest on the Bonds through the payment or redemption thereof at the earliest date permissible under the terms of this Ordinance. The balance transferred to the Series 2023A Debt Service Account may first be used to pay any principal payment on the Bonds coming due in that current bond year. If the balance transferred is greater than the current bond year principal payment, the excess shall be used to call Bonds for redemption in accordance with **Section 301(b)** hereof. Any Bonds purchased by the Paying Agent pursuant to this **Section 501** with moneys from the Series 2023A Debt Service Account will be deemed cancelled.

ARTICLE VI **APPLICATION OF REVENUES**

Section 601. Sewer Fund.

(a) The City covenants and agrees that all Sanitary Sewer Revenues will be deposited into the Sewer Fund when received. The Sanitary System Revenues will be segregated from all other moneys, revenues, funds and accounts of the City.

(b) All moneys deposited in the Sewer Fund will be designated as having been derived from the ownership and operation of the Sanitary Sewer System. All Sanitary Sewer Revenues will be deposited in the Sewer Fund.

(c) The Sewer Fund will be administered and applied solely for the purposes and in the manner provided in this Ordinance and any Parity Ordinance.

Section 602. Application of Moneys in Sanitary Sewer System Funds and Accounts.

(a) The City will apply moneys in the Sewer Fund on the dates, in the amounts and in the order as follows:

(1) on the first day of each month, the estimated cost of operating and maintaining the Sanitary Sewer System during the ensuing 30-day period, which amount shall include on the dates required by the applicable Outstanding Parity Bond Ordinance

the amounts required to pay the fees described in the applicable Outstanding Parity Bond Ordinance, if any, but will exclude Administrative Service Fees; and

(2) to the Series 2023A Debt Service Account and the Outstanding Parity Bond Debt Service Account, on a parity basis, the amount required under the Outstanding Parity Bond Ordinance at the time specified therein. In the case of the Series 2023A Bonds, the City shall transfer to the Paying Agent for the Series 2023A Bonds on the Business Day prior to any Interest Payment Date the amounts of principal and interest due on the Series 2023A Bonds on the next Interest Payment Date; and

(3) on the first day of each month after the Bond Reserve Requirement Funding Commencement Date and as otherwise required by this Ordinance, to the Series 2023A Reserve Account, and as required by the Outstanding Parity Bond Ordinance, to the Outstanding Parity Bond Debt Service Reserve Account, and in the event the trustee or the Paying Agent has withdrawn moneys from the Series 2023A Reserve Account (other than investment earnings or the amount transferred from the Series 2023A Reserve Account upon the payment of principal on the Bonds), to the Series 2023A Reserve Account all available moneys until the Series 2023A Reserve Account has been replenished; and

(4) on the first day of each month the Administrative Service Fees for the ensuing 30-day period; and

(5) to deposit to the Renewal and Replacement Account (i) the amount required to be paid to such Renewal and Replacement Account, if any, by the applicable Outstanding Parity Bond Ordinance on the dates required by the applicable Outstanding Parity Bond Ordinance to be applied in accordance with said Outstanding Parity Bond Ordinance, and (ii) the amount determined by the Operating and Capital Reserves Policy established and approved by the Water Services Department and the Governing Body, as may be amended from time to time, to be applied in accordance with **subsection (c)** of this **Section 602**; and

(6) on the first day of each month the remaining balance to the Surplus Account.

(b) If the amount in the Sewer Fund is not sufficient to make the payments at the time required to be made by the City to the Series 2023A Reserve Account (if required pursuant to **Section 402** hereof) and to the Outstanding Parity Bond Debt Service Reserve Account, the City will divide the balance in the Sewer Fund between the Series 2023A Reserve Account and the Outstanding Parity Bond Debt Service Reserve Account on a proportionate basis (based upon the outstanding principal amounts of the Series 2023A Bonds and the Outstanding Parity Bonds).

(c) Except as otherwise provided in this **Section 602** or any Outstanding Parity Bond Ordinance, all sums accumulated and retained in the Renewal and Replacement Account shall be used to meet the costs of capital improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over

the System, and such sums may be encumbered by an estimation and appropriation ordinance of the Governing Body to accomplish the same. All unencumbered sums accumulated and retained in the Renewal and Replacement Account, if any, shall be applied by the City from time to time, as and when the City shall determine, to the following purposes and, prior to the occurrence and continuation of an Event of Default, in the order of priority determined by the City in its sole discretion: (a) to maintain and improve the System as described above and (b) to pay the principal of and interest on any Sanitary Sewer System Revenue Bonds and any other obligations payable from Net Sanitary Sewer Revenues. No moneys credited to the Renewal and Replacement Account shall ever be directed or applied to the general governmental or municipal functions of the City so long as any of the Series 2023A Bonds remain Outstanding. Except as otherwise provided in the Series 2021 Bond Ordinance or any other Outstanding Parity Bond Ordinance, the total amount of money credited to the Renewal and Replacement Account shall not exceed the maximum amount established by the Operating and Capital Reserves Policy approved by the Water Services Department and the Governing Body, as may be amended from time to time.

(d) Except as otherwise provided in the Outstanding Parity Bond Ordinance, moneys in the Surplus Account are to be expended for the following purposes as determined by the Governing Body:

(1) paying the cost of the operation, maintenance and repair of the Sanitary Sewer System to the extent necessary;

(2) paying the cost of extending, enlarging or improving the Sanitary Sewer System;

(3) preventing default in, anticipating payments into or increasing the amounts in the accounts confirmed or established in **Section 401** hereof, or establishing or increasing the amount of any debt service account or debt service reserve account created by the City for the payment of any Sanitary Sewer System Revenue Bonds subsequently issued; or

(4) redeeming and paying prior to maturity, or, at the option of the City, purchasing in the open market at the best price obtainable not exceeding the call price (if any bonds are callable), the Bonds, the Outstanding Parity Bonds or any other Sanitary Sewer System Revenue Bonds of the City hereafter issued under the conditions hereinafter specified and standing on a parity with the Bonds, including principal, redemption premium, if any, and interest; or

(5) making payments on capital lease obligations; or

(6) any other lawful purpose in connection with the operation of the System and beneficial to the System.

(e) No moneys derived by the City from the Sanitary Sewer System will be diverted to the general governmental or municipal functions of the City.

Section 603. Deficiency of Payments into Funds and Accounts.

(a) If the Sanitary Sewer Revenues are insufficient to make any payment on any date specified in this **Article VI**, the City will make good the amount of the deficiency by making additional payments out of the first available Sanitary Sewer Revenues for application in the order specified in **Section 602** hereof.

(b) If the moneys in the Outstanding Parity Bond Debt Service Account, the Outstanding Parity Bond Debt Service Reserve Account, the Series 2023A Debt Service Account or the Series 2023A Reserve Account (if required under **Section 403** hereof) are not sufficient to pay the principal of and interest on the Outstanding Parity Bonds and the Bonds as and when the same become due, the City will apply moneys in the Surplus Account on a proportionate basis (based upon the outstanding principal amounts of the Bonds and the Outstanding Parity Bonds) to the Series 2023A Debt Service Account and the Outstanding Parity Bond Debt Service Account to prevent any default in the payment of the principal of and interest on the Bonds and the Outstanding Parity Bonds.

Section 604. Transfer of Funds to Paying Agent. The Director of Finance is authorized and directed to make the payments to the Series 2023A Debt Service Account and the Outstanding Parity Bond Debt Service Account as provided in **Section 602** hereof, and, to the extent necessary to prevent a default in the payment of the Sanitary Sewer System Revenue Bonds, from the Outstanding Parity Bond Debt Service Reserve Account, the Series 2023A Reserve Account and the Surplus Account as provided in **Sections 602** and **603**, sums sufficient to pay the Sanitary Sewer System Revenue Bonds when due, and to forward amounts to the Paying Agent in a manner which ensures the Paying Agent will have sufficient available funds on or before the Business Day immediately preceding the dates when payments on the Sanitary Sewer System Revenue Bonds are due. Upon the payment of all principal and interest on the Sanitary Sewer System Revenue Bonds, the Paying Agent will return any excess funds to the City.

Section 605. Application of Moneys in the Series 2023A Compliance Account.

(a) There shall be deposited in the Series 2023A Compliance Account (1) the amount required by **Section 501** hereof and (2) such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. Subject to the payment provisions provided in subsection (b) and (d) below, all money in the Series 2023A Compliance Account shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the City nor the Registered Owner of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Series 2023A Compliance Account shall be governed by this Section and the Federal Tax Certificate.

(b) The City shall periodically determine the rebatable arbitrage under Section 148(f) of the Code in accordance with the Federal Tax Certificate, and the City shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax

Certificate. Except as provided in subsection (d) below with respect to Bond proceeds deposited in the Series 2023A Compliance Account pursuant to **Section 501** hereof, any moneys remaining in the Series 2023A Compliance Account after redemption and payment of all of the Bonds and the interest thereon and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be released to the City.

(c) Notwithstanding any other provision of this Ordinance, including in particular **Article XI**, the obligation to pay rebatable arbitrage to the United States and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Bonds.

(d) The moneys deposited in the Series 2023A Compliance Account pursuant to **Section 501** shall be used to pay costs associated with retaining any rebate analyst or other expert to perform any rebate computations or other calculations necessary to ensure the City maintains compliance with the requirements for rebate under Section 148(f) of the Code or any of the City's duties with respect to the Series 2023A Compliance Account (as defined in the Federal Tax Certificate). Any Bond proceeds or investment earnings thereon remaining in the Series 2023A Compliance Account five (5) years and 180 days after the date of issuance of the Series 2023A Bonds shall be disbursed as follows:

(1) If the rehabilitations, expansions and improvements to the Sanitary Sewer System for which the Series 2023A Bonds were issued are not yet complete, Series 2023A Bond proceeds or investment earnings thereon remaining in the Series 2023A Compliance Account shall be transferred to the Series 2023A Construction Account created by **Section 401(e)(1)** of this Ordinance; or

(2) If the rehabilitations, expansions and improvements to the Sanitary Sewer System for which the Series 2023A Bonds were issued are complete, Series 2023A Bond proceeds or investment earnings thereon remaining in the Series 2023A Compliance Account shall be deposited in and credited to the Series 2023A Debt Service Account created by **Section 401(e)(4)** of this Ordinance.

ARTICLE VII **DEPOSIT AND INVESTMENT OF MONEYS**

Section 701. Investment of Moneys.

(a) Moneys in each of the funds and accounts created or ratified and confirmed by this Ordinance may be invested by the City in Permitted Investments, but no investment will be made for a period extending longer than the date when the moneys invested may be needed. Unless stated otherwise, all earnings on any investments held in any fund or account will accrue to the Sewer Fund. Notwithstanding the preceding sentence, all earnings on amounts in the Series 2023A Construction Account will accrue to the Series 2023A Debt Service Account. In determining the amount held in any fund or account under this Ordinance, obligations will be valued at the lower of cost or market value. If the amount in any fund or account held within the

Treasury of the City is greater than the required amount, the City may transfer the excess to the Sewer Fund.

(b) So long as the Outstanding Parity Bonds are outstanding, any investments made pursuant to this **Section 701** are subject to the applicable restrictions in the Outstanding Parity Bond Ordinance.

ARTICLE VIII
PARTICULAR COVENANTS OF THE CITY

Section 801. Efficient and Economical Operation. The City will continuously own and will operate the Sanitary Sewer System in an efficient and economical manner and will keep and maintain the Sanitary Sewer System in good repair and working order.

Section 802. Rate Covenant.

(a) The City will fix, establish, maintain and collect rates and charges for the use and services furnished by or through the Sanitary Sewer System to produce income and revenues sufficient to (1) pay the costs of the operation and maintenance of the Sanitary Sewer System; (2) pay the principal of and interest on the Bonds as and when due; (3) enable the City to have in each Fiscal Year Net Sanitary Sewer Revenues Available for Debt Service plus Administrative Service Fees of not less than 110% of the amount required to be paid by the City in the Fiscal Year on account of both principal of and interest on all Sanitary Sewer System Revenue Bonds at the time outstanding, plus capital lease payments, if any, provided that interest on any SRF Program Bonds will be reduced by the SRF Subsidy, if any; and (4) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for the protection and benefit of the Sanitary Sewer System as provided in this Ordinance. The City will require the prompt payment of accounts for service rendered by or through the Sanitary Sewer System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges.

(b) The City has covenanted in the ordinances applicable to the Outstanding Parity Bonds to comply with the rate covenant set forth in the applicable ordinance so long as such bonds are outstanding.

Section 803. Reasonable Charges for all Services. None of the facilities or services provided by the Sanitary Sewer System will be furnished to any user without a reasonable charge being made therefore.

Section 804. Performance of Duties. The City will faithfully and punctually perform all duties and obligations with respect to the operation of the Sanitary Sewer System now or hereafter imposed upon the City by any applicable laws, including the constitution and laws of the State and the provisions of this Ordinance.

Section 805. Tax Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code necessary to maintain the exclusion from federal gross income of the interest on the Bonds and (2) comply with all provisions and requirements of the Federal Tax Certificate. The Director of Finance is hereby authorized to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the City. The City will also pass such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The covenants contained in this **Section 805** and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article XI** of this Ordinance or any other provision of this Ordinance until the final Maturity of all Bonds Outstanding.

Section 806. Continuing Disclosure. The City covenants and agrees to enter into a Continuing Disclosure Undertaking (the “**Continuing Disclosure Undertaking**”) in order to satisfy the City’s ongoing disclosure requirements promulgated by Securities and Exchange Commission Rule 15c2-12, as amended, in connection with the issuance of the Bonds. The Director of Finance is hereby authorized to execute and deliver the Continuing Disclosure Undertaking for and on behalf of the City, with such changes therein as he deems necessary or desirable. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered a default under this Ordinance. Remedies for a default under the Continuing Disclosure Undertaking shall be limited to those set forth in the Continuing Disclosure Undertaking.

ARTICLE IX
ADDITIONAL BONDS

Section 901. Prior Lien Bonds. Except as provided in **Section 904** hereof, the City will not issue any debt obligations payable out of the Net Sanitary Sewer Revenues which are superior in lien, security or otherwise to the Bonds.

Section 902. Parity Lien Bonds or Obligations.

(a) Except as provided in **Section 904** hereof, the City will not issue any additional bonds or other long-term obligations payable out of the Net Sanitary Sewer Revenues which stand on a parity or equality with the Bonds unless the following conditions are met:

(1) The City is not in default in the payment of principal or interest on the Bonds or the Parity Bonds or in making any deposit into the funds and accounts under this Ordinance or any Parity Ordinance; and

(2) For so long as any of the Series 2023A Bonds remain Outstanding, the City provides to the Paying Agent a certificate showing either of the following:

(i) The average annual Net Sanitary Sewer Revenues Available for Debt Service plus Administrative Service Fees as set forth in the two most recent annual audits for Fiscal Years preceding the issuance of additional bonds, are at least 110% of the average annual debt service on the Sanitary Sewer System Revenue Bonds (excluding subordinate revenue bonds or obligations), including the additional bonds proposed to be issued, to be paid out of the Net Sanitary Sewer Revenues Available for Debt Service in all succeeding Fiscal Years. Interest to be paid on any SRF Program Bonds may be reduced by the SRF Subsidy, if any. In determining Net Sanitary Sewer Revenues Available for Debt Service, the City may rely on a certificate of the Consultant to add the additional Net Sanitary Sewer Revenues Available for Debt Service which would have resulted if the rate increase had been in effect for the entire period to the audited Net Sanitary Sewer Revenues if the City has made any increase in rates for the use and services of the Sanitary Sewer System and the increase has not been in effect during all of the two Fiscal Years for which annual audits are available; or

(ii) The estimated average annual Net Sanitary Sewer Revenues Available for Debt Service plus Administrative Service Fees for the two Fiscal Years immediately following the Fiscal Year in which the improvements to the Sanitary Sewer System being financed by the additional bonds are to be in commercial operation, as certified by the Consultant, is at least 110% of the average annual debt service on the Sanitary Sewer System Revenue Bonds (excluding subordinate revenue bonds or obligations), including the additional bonds proposed to be issued, to be paid out of the Net Sanitary Sewer Revenues Available for Debt Service in succeeding Fiscal Years following the commencement of commercial operation of the improvements. Interest to be paid on any SRF Program Bonds may be reduced by the SRF Subsidy, if any. In determining the amount of estimated Net Sanitary Sewer Revenues Available for Debt Service for the purpose of this subsection, the Consultant may adjust the estimated net income and revenues by adding the estimated increase in Net Sanitary Sewer Revenues Available for Debt Service resulting from any increase in rates for the use and services of the Sanitary Sewer System approved by the City.

(b) If the conditions set forth in this **Section 902** are satisfied, the City (1) may issue additional revenue bonds or other obligations of the City on a parity with the Bonds and that enjoy complete equality of the lien on the Net Sanitary Sewer Revenues with the Bonds, (2) may make equal provision for paying the additional revenue bonds or other obligations from the Sewer Fund, and (3) may secure the additional revenue bonds or other obligations by funding reasonable debt service accounts and debt service reserve accounts from the Net Sanitary Sewer Revenues.

(c) The City has covenanted in the ordinances applicable to the Outstanding Parity Bonds to comply with the additional bonds test set forth in the applicable ordinance so long as such bonds are outstanding.

Section 903. Junior Lien Bonds. Nothing in this **Article IX** prohibits or restricts the right of the City to issue additional revenue obligations, including revenue bonds, for the purpose of extending, improving, enlarging, repairing or altering the Sanitary Sewer System, that are subordinate to the Bonds if at the time of the issuance of the additional revenue obligations the City is not in default in the performance of any covenant or agreement in this Ordinance. If the City is in default in paying either interest on or principal of the Bonds, or if the Series 2023A Reserve Account is not fully funded to the extent required by **Section 403** hereof, the City shall not make any payments on the subordinate revenue obligations until the default is cured. Subject to the limitations in this **Section 903**, the City may make provision for paying the principal of and interest on the subordinate revenue bonds or obligations from moneys in the Sewer Fund.

Section 904. Refunding Bonds. The City may, without complying with the provisions of **Section 902** hereof, refund any of the Bonds in a manner which provides debt service savings to the City, and the refunding bonds so issued will be on a parity with any of the Bonds that are not refunded and any Outstanding Parity Bonds.

ARTICLE X **DEFAULT AND REMEDIES**

Section 1001. Acceleration of Maturity in Event of Default. The City covenants and agrees that if it shall default in the payment of the principal of or interest on any of the Bonds as the same shall become due on any bond payment date, or if the City or the Council of the City or any of the officers, agents, or employees thereof shall fail or refuse to comply with any of the provisions of this Ordinance or of the constitution or statutes of the State, and such default continues for a period of sixty (60) days after written notice specifying such default has been given to the City by the Registered Owner of any Bond then Outstanding, then, at any time thereafter and while such default continues, the Registered Owners of twenty-five percent (25%) in principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the City Clerk or delivered in person to the City Clerk, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, all of the Bonds shall become and be immediately due and payable, anything in this Ordinance or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if at any time after the principal of the Outstanding Bonds has been so declared to be due and payable, all arrears of interest upon all Outstanding Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds shall have been paid in full, and all other defaults, if any, by the City under the provisions of this Ordinance and under the provisions of the constitution or statutes of the State shall have been cured, then and in every such case, the Registered Owners of a majority in principal amount of the Bonds then Outstanding, by written notice to the City given as hereinbefore specified, may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

Section 1002. Remedies.

(a) The provisions of this Ordinance constitute a contract between the City and the Owners of the Bonds. The Owner or Owners of not less than 25% in principal amount of the Bonds at the time Outstanding have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(1) by any proceeding at law or in equity to enforce the rights of the Owner or Owners against the City and its officers, agents and employees, and to compel the performance by the City of its duties and obligations under this Ordinance, the Constitution and the laws of the State;

(2) by any proceeding at law or in equity to require the City, its officers, agents and employees to account as if they were the Paying Agents of an express trust; and

(3) by any proceeding at law or in equity to enjoin any act or thing which is unlawful or in violation of the rights of the Owners of the Bonds.

(b) Any amounts paid on the Bonds to the Owners will be applied first to interest and second to principal, to the extent due and payable.

Section 1003. Limitation on Rights of Bondowners. No Owner has any right in any manner whatever by the Owner's action to affect, disturb or prejudice the security granted and provided for in, or enforce any right under, this Ordinance, except in the manner provided in this Ordinance. All proceedings at law or in equity will be for the equal benefit of all Owners.

Section 1004. Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy. Each remedy is in addition to every other remedy and may be exercised without exhausting any other remedy conferred under this Ordinance. No waiver by any Owner of any default or breach of duty or contract of the City under this Ordinance will affect any subsequent default or breach of duty or contract by the City or impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default will impair any right or power or will be construed to be a waiver of any default. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be expedient. If any Owner discontinues any proceeding or the decision in the proceeding is against the Owner, the City and the Owners of the Bonds will be restored to their former positions and rights under this Ordinance.

Section 1005. Exception for Continuing Disclosure. This **Article X** shall not apply to **Section 806** hereof regarding the City's continuing disclosure obligations, and the Registered Owners of the Bonds shall have no remedies for enforcement of said obligations other than the remedies provided for in **Section 806** hereof and the City's Continuing Disclosure Undertaking (hereinafter defined).

Section 1006. No Obligation to Levy Taxes. Nothing in this Ordinance imposes any duty or obligation on the City to levy any taxes either to meet any obligation incurred under this Ordinance or to pay the principal of or interest on the Bonds.

ARTICLE XI
DEFEASANCE

Section 1101. Defeasance. When all of the Bonds have been paid and discharged, the provisions of this Ordinance will terminate. Bonds will be treated as paid and discharged within the meaning of this Ordinance if the City has deposited with the Paying Agent, or other bank or trust company located in the State, having full trust powers and meeting the requirements of a successor paying agent, (i) moneys and non-callable Defeasance Securities which, together with interest to be earned, as evidenced by the written report of an independent certified public accountant, will be sufficient for the payment of the principal and redemption premium, if any, of and interest to accrue on the Bonds to the date of maturity or redemption, and (ii) an opinion of Bond Counsel, addressed to the Paying Agent, that providing for the payment of the Bonds by depositing moneys or Defeasance Securities with the Paying Agent in accordance with this **Section 1101** will not cause the interest on the Bonds to be included in gross income for federal income tax purposes. If any Bonds will be redeemed prior to maturity, the City must have given irrevocable instructions to the Paying Agent to redeem the Bonds. Any moneys and obligations which at any time are deposited with the Paying Agent or other bank by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, are assigned, transferred and set over in trust for the applicable Owners, and the moneys and obligations are irrevocably appropriated to the payment and discharge of the applicable Bonds.

ARTICLE XII
AMENDMENTS

Section 1201. Amendments.

(a) The provisions of this **Article XII** are not applicable to (1) the Certificate of Final Terms or (2) the Continuing Disclosure Undertaking, which is subject to amendment and modification only as provided therein.

(b) Any provision of the Bonds or of this Ordinance may be amended by an ordinance, provided however, that the prior written consent of the Bondowners is required for any amendment which would:

- (1) extend the maturity of any payment of principal or interest on any Bond;
- (2) reduce the amount of principal or interest payable on any Bond; or
- (3) permit the priority of any Bond over any other Bond.

(c) No amendment will be effective until (i) the City has received an opinion of Bond Counsel stating that the amendment is permitted by this Ordinance and the Act, complies with their respective terms, is valid and binding upon the City in accordance with its terms and does not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes, and (ii) the City Clerk has on file a copy of the amendment and all required consents.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

Section 1301. Further Authority. The officers of the City, including the Mayor, the City Manager, the City Treasurer, the Director of Finance and the City Clerk, are authorized and directed to execute all documents and take the actions as are necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial changes in the documents approved by this Ordinance which they may approve. The execution of any document or taking of any related action constitutes conclusive evidence of the necessity or advisability of the action or change.

Section 1302. Approval of Contracts. The City hereby approves the selection (1) of Gilmore & Bell, P.C., and Hardwick Law Firm, LLC, as co-bond counsel and co-disclosure counsel for the Bonds and (2) of Hilltop Securities Inc. and Independent Public Advisors, LLC, as the City’s co-financial advisors.

Section 1303. Severability. If any section or other part of this Ordinance is for any reason held invalid, the invalidity will not affect the validity of the other provisions of this Ordinance.

Section 1304. Electronic Transaction. The transaction described herein may be conducted and related documents may be sent, stored and received by electronic means.

Section 1305. Governing Law. This Ordinance is governed by and will be construed in accordance with the laws of the State.

Section 1306. Estimation of Revenues. That revenue of \$2,120,000.00 is hereby estimated in Fund 8193, the Sewer Revenue Bond Fund Series 2023A, in the following accounts:

AL-8193-120000-485100	Premium on Sale of Bonds	\$ 2,120,000.00
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Section 1307. Appropriation of Revenues. That the sum of \$2,120,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 8193, the Sewer Revenue Bond Fund Series 2023A, to the following accounts:

AL-8193-129620-G	Cost of Issuance	\$390,000.00
AL-8193-129686-B	Arbitrage Rebate Calculation	10,000.00
AL-8193-129631-G	Underwriters’ Discount	720,000.00
AL-8193-129632-G	Discount on Sale of Bonds	<u>1,000,000.00</u>

TOTAL \$2,120,000.00

Section 1308. Requisitioning Authority. That the Director of Finance is designated as the requisitioning authority for Accounts Nos. AL-8193-129620, AL-8193-129686, AL-8193-129631 and AL-8193-129632.

Section 1309. Declaration of Intent. That the City Council 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 appropriations in **Section 1307** the proceeds of the Bonds expected to be issued by the City. The maximum principal amount of the Bonds expected to be issued for the Appropriations is not anticipated to exceed \$2,120,000.00. This constitutes a declaration of official intent under Treasury Regulation 1.150-2.

Section 1310. Close Accounts. That the Director of Finance is hereby authorized to close project accounts upon project completion and return the unspent portion of the appropriation to the Fund Balance from which it came.

Section 1311. Modification of Accounts. That the Director of Finance is hereby authorized to modify the previously approved estimated revenues and appropriations in **Section 1306** and **Section 1307** hereof as required to correctly record the budgetary amounts finalized through the sale of the Bonds into the marketplace.

Section 1312. Effective Date. This Ordinance will take effect and be in full force and effect ten (10) days after its passage.

EXHIBIT A
TERMS OF BONDS

1. Purchase Price: Not less than 95% of the Principal Amount.
2. Weighted Average Maturity of the Bonds: Not less than 13.6 years nor more than 17.6 years.
3. Costs of Issuance, not including the Purchaser's Discount: Not to exceed \$750,000.00.
4. True Interest Cost: Not to exceed 6.25%.
5. Optional Redemption: The Bonds shall be subject to redemption at the option of the City prior to their Stated Maturities on a date that is not later than January 1, 2035, at a Redemption Price not to exceed 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.
6. Final Maturity: Not later than January 1, 2048.

EXHIBIT B

FINAL EXECUTED CERTIFICATE OF FINAL TERMS

EXHIBIT C

FORM OF CERTIFICATE OF FINAL TERMS

The undersigned Mayor of the City of Kansas City, Missouri (the “City”), in connection with the issuance of the City’s Sanitary Sewer System Improvement Revenue Bonds, Series 2023A (the “Bonds”), certifies pursuant to **Section 211** of **Ordinance No. 22_____**:

1. **Principal Amount.** The Bonds are issued in the Principal Amount of \$_____.
2. **Interest Payment Dates.** Each [January 1] and [July 1], commencing [_____ 1, 20__].]
3. **Maturity Schedule.** The Bonds will mature on the dates and in the amounts and bear interest at the rates as follows:

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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20__[†]

[†] Term Bond

4. **Weighted Average Maturity of the Bonds.** The weighted average maturity of the Bonds is ____ years, as shown on **Schedule 1** to this Certificate.
5. **True Interest Cost:** The True Interest Cost of the Bonds is _____%, as shown on **Schedule 2** to this Certificate.
6. **Purchaser.** [*Pursuant to **Section 211(a)(1)** of this Ordinance, the Bonds are being sold to _____*, as the bidder submitting the lowest “true interest cost” in accordance with the Notice of Bond Sale*] [**Pursuant to **Section 211(a)(2)** of this Ordinance, the Bonds are being sold to Morgan Stanley & Co., LLC, as representative of the underwriters of the Bonds in accordance with the Purchase Contract.**]
7. **Purchase Price.** The purchase price of the Bonds is \$_____, (representing the principal amount of \$_____, plus the premium of \$_____, less the underwriter’s discount of \$_____, plus accrued interest in the amount of \$_____), which purchase price is _____% of the Principal Amount.
8. **Mandatory Sinking Fund Redemption.** [**There are no Term Bonds subject to mandatory sinking fund redemption prior to maturity.**][**The Term Bonds identified in paragraph 2 are subject to mandatory sinking fund redemption pursuant to **Section 301(a)** of the Ordinance on the dates and in the amounts as follows:

Term Bonds Maturing on [January 1], 20____

<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__ [†]	

[†] Final Maturity

9. **Deposit of Bond Proceeds.** The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:
 - [**](a) \$_____ of the net proceeds of the Bonds shall be deposited in the Series 2023A Compliance Account.**]
 - (b) \$_____ of the net proceeds of the Bonds shall be deposited in the Series 2023A Costs of Issuance Account to pay the costs of issuing the Bonds as authorized by the Director of Finance.
 - (c) \$_____ of the net proceeds of the Bonds shall be deposited in the Series 2023A Construction Account

(d) No proceeds of the Bonds are required at closing to be deposited into the Series 2023A Reserve Account.

10. **Series 2023A Reserve Account.** If the Series 2023A Reserve Account is required to be funded pursuant to **Section 403** of the Ordinance, the City shall, pursuant to the provisions of **Section 602** of the Ordinance, make monthly deposits equal to **[**1/24th of the Bond Reserve Requirement for 24 months**]** until the Bond Reserve Requirement is satisfied.
11. **Bond Reserve Debt Service Coverage Requirement.** **[**130%**]** of the average annual Debt Service Requirements.

The terms set forth in this Certificate of Final Terms are within the limitations of **Exhibit A** to the Ordinance.

Delivered this ____ day of _____, 2023.

CITY OF KANSAS CITY, MISSOURI

By: _____
Mayor

..end

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.

Tammy L. Queen
Director of Finance

Approved as to form:

Katherine Chandler
Senior Associate City Attorney



APPROPRIATION TRANSACTION
CITY OF KANSAS CITY, MISSOURI

DEPARTMENT: **Finance Department**

BUSINESS UNIT: **KCMBU** DATE: **12/1/2022** JOURNAL ID: _____

LEDGER GROUP: **ADMIN** BUDGET PERIO **2023**

	<u>FUND</u>	<u>DEPT ID</u>	<u>ACCOUNT</u>	<u>PROJECT</u>	<u>AMOUNT</u>
AL	8193	129620	743050		390,000.00
AL	8193	129686	743250		10,000.00
AL	8193	129631	743050		720,000.00
AL	8193	129632	743150		1,000,000.00

TOTAL 2,120,000.00

DESCRIPTION:

Appropriating Sewer Revenue Bond Proceeds for FY23 sale

APPROVED BY:	DATE	APPROVED BY: DEPARTMENT HEAD	DATE
<u>Dan Grandcolas</u>	<u>10/11/2022</u>	_____	_____



REQUEST FOR SUPPLEMENTAL REVENUE
CITY OF KANSAS CITY, MISSOURI

DEPARTMENT: **Finance Department**

BUSINESS UNIT: **KCMBU** DATE: **12/1/2022** JOURNAL ID: _____

LEDGER GROUP: _____ REVENUE

	<u>FUND</u>	<u>DEPT ID</u>	<u>ACCOUNT</u>	<u>PROJECT</u>	<u>AMOUNT</u>
<u>AL</u>	8193	120000	485100		\$2,120,000.00

TOTAL 2,120,000.00

DESCRIPTION:
Estimating Sewer Revenue Bond Proceeds for FY23 sale

APPROVED BY:	DATE	APPROVED BY: DEPARTMENT HEAD	DATE
<u>Dan Grandcolas</u>	<u>10/11/2022</u>	_____	_____

Sanitary Sewer System & Water Series 2023A Revenue Bonds

Finance, Governance and Public Safety Committee
Ordinance Nos. 221046 and 221047

December 14, 2022

Purpose of the Ordinances

- Authorize the issuance of bonds
 - Sewer Revenue Bonds, Series 2023A
 - Not to exceed \$115 million
 - Water Revenue Bonds, Series 2023A
 - Not to exceed \$65 million
- Estimate bond proceeds

Background

Ordinance No. 221046

- In April 2022, voters approved \$750 million of Sanitary Sewer Bond Authority
- Ordinance No. 220954
 - Estimated and Appropriated \$103.8 million in sanitary sewer revenue bond proceeds
 - Passed November 3, 2022
- Series 2023A Bonds
 - First issuance from the April 2022 voted authorization
 - Estimated debt service
 - Approximately \$7.25 million per year over 25 years
- Repayment Source
 - Net revenues of the sanitary sewer system

Background

Ordinance No. 221047

- In April 2014, voters approved \$500 million of Water Revenue Bond Authority
 - \$297 million remaining authority
- Ordinance No. 220953
 - Estimated and Appropriated \$57.6 million in water revenue bond proceeds
 - Passed November 3, 2022
- Series 2023A Bonds
 - Finance \$57.6 million of waterworks capital projects
 - Estimated debt service
 - Approximately \$4 million per year over 25 years
- Repayment Source
 - Net revenues of the waterworks system

Finance Professionals

- Co-bond & Co-Disclosure Counsel
 - Gilmore & Bell, PC
 - Hardwick Law Firm, LLC (certified M/WBE)
- Financial Advisor
 - Hilltop Securities, Inc.
 - Independent Public Advisors, LLC (certified M/WBE)

Underwriting Syndicate

- Morgan Stanley – Senior Manager
- American Veterans Group, PBC
- Siebert Williams Shank & Co., LLC (W/MBE)
- Valdes & Moreno, Inc. (certified M/DBE)

Calendar

Event	Water Refunding	Sewer Refunding
Credit Ratings Calls	Week of Dec 5 th	Week of Dec 5 th
Bond Ordinances Effective *	December 26 th	December 26 th
Pricing	January 18 th	January 19 th
Closing	February 2 nd	February 2 nd

* Request for advance

QUESTIONS?



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Finance

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

The ordinance requests the authority to sell, issue and deliver sanitary sewer revenue bonds in an amount not to exceed \$115 million for the purpose of rehabilitating, expanding, and improving the City’s Sanitary Sewer System. The ordinance also estimates \$2.1 million of gross premium proceeds and appropriates the funds for anticipated costs of issuance.

Discussion

The voters of Kansas City authorized, in 2022, the issuance of \$750 million in revenue bonds for extensions and improvements to the City’s Sewer works system. None of the authorization has been issued to date.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No

2. What is the funding source?

Net revenues of the Sewer Revenue fund, fund number 8110.

3. How does the legislation affect the current fiscal year?

Ordinance Number 220954, passed by the City Council on November 3, 2022 estimated and appropriated \$104 million in bond proceeds for capital projects related to the Sanitary Sewer System. This ordinance will authorize the sale of bonds to fund the appropriations and also pay transaction costs of the sale.

4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

Estimated debt service, based upon a November 2022 analysis by the City’s financial advisors, will be about \$7.3 million a year for a twenty-five-year term totaling approximately \$183 million.



City of Kansas City, Missouri

Docket Memo

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

The bonds will require the City to annually set rates and charges of the Sewer revenue system in amounts that will provide 1.10X coverage on debt service on all outstanding Sewer revenue bonds including the bonds that will be issued to fund this ordinance.

Budget Review

(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

Additional Discussion (if needed)

N/A

Citywide Business Plan Impact

Supports the infrastructure & accessibility goal to develop infrastructure critical assets toward the goal of keeping those assets at good or better condition.

Prior Legislation

Ordinance No. 211044 passed on November 10, 2021, and Ordinance No. 220954 passed on November 3, 2022.

Service Level Impacts

Sewer customer service levels will benefit long-term from projects completed in a timely and efficient manner. Service levels are impacted by a number of factors, but the quality of the assets utilized is critical.

Other Impacts

1. What will be the potential health impacts to any affected groups?



City of Kansas City, Missouri

Docket Memo

There will be no potential negative health impacts from issuing this wastewater revenue bond.

- 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?

The Wastewater system will be maintained and enhanced with improvements to wastewater assets and the City will be able to continue to meet the requirements of the Consent Decree at the lowest possible cost to current and future ratepayers.

- 4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?

N/A

- 5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?

Yes

CONTRACTOR: Hilltop Securities, Inc.
Address: 717 N. Harwood St., Suite 3400
Dallas, TX 75201
Contract #: EV2267-18 - Financial Advisory Services for
Water Revenue Bonds, Series 2023A & Sewer
Revenue Bonds, Series 2023A
Contract Amount: \$238,000.00*
MBE Goal: 20%
WBE Goal: 0%
Total MBE Achieved: 20%
Total WBE Achieved: 0%

MBE SUBCONTRACTORS:
Name: Independent Public Advisors, LLC
Address: 5440 N. Mercier Ave.
Kansas City, MO 64118
Scope of Work: Financial Advisory Services
Dollar Amount: \$44,200
Ownership: Pooler, Tionna
Structure: African-American Female Code 19

WBE SUBCONTRACTORS:

None

Comments:
*Note: The contract includes reimbursable costs for printing and electronic dissemination. The MBE participation is based on the remaining contract amount of \$221,000.



File #: 221047

ORDINANCE NO. 221047

Sponsor: Director of the Finance Department

Authorizing and directing the issuance, sale and delivery of not to exceed \$65,000,000.00 principal amount of Water Revenue Bonds, Series 2023A, of the City of Kansas City, Missouri, prescribing the form and details of such revenue bonds; authorizing certain actions and documents and prescribing other matters relating thereto; and estimating and appropriating \$1,300,000.00 in the Water Revenue Bond Fund Series 2023A.

WHEREAS, the City of Kansas City, Missouri (the “**City**”), is a constitutional charter City and political subdivision duly organized and existing under the laws of the State of Missouri (the “**State**”) and the City’s Charter, as amended, approved by the voters for its government (the “**Charter**”), and owns and operates a revenue producing waterworks system (the “**System**”); and

WHEREAS, the City desires to make certain additions, extensions and improvements to the System and is authorized under the provisions of the Constitution and statutes of the State and its Charter to issue and sell water revenue bonds for the purpose of providing funds for such purposes, upon obtaining the required voter approval and provided that the principal of and interest on such water revenue bonds shall be payable solely from the revenues derived from the operation of the System; and

WHEREAS, pursuant to such authority, a special bond election was duly held in the City on April 8, 2014 (the “**2014 Election**”), on the following question:

QUESTION

Shall the City of Kansas City, Missouri issue and sell waterworks revenue bonds in the principal amount of \$500,000,000.00 for the purpose of extending and improving the waterworks system of the City including, but not limited to (1) the continued expansion of the water distribution system, (2) replacement of water mains, (3) rehabilitation and expansion of water treatment plants, pump stations, and other water facility improvements, (4) ensuring a reliable water supply to include intake modifications and/or supplemental ground water supplies, and (5) protecting and safeguarding the waterworks system, with the principal and interest of said bonds to be payable solely from the revenues derived by the City from the operation of its waterworks system, including all future improvements and expansions thereto?

and it was found and determined that more than a simple majority of the qualified electors of the City voting on the question had voted in favor of the issuance of said revenue bonds for the purpose aforesaid, the vote on said question having been 20,330 votes for the question to 5,275 votes against the question; and

WHEREAS, the City has previously issued \$202,640,000.00 of water revenue bonds authorized pursuant to the 2014 Election, \$297,360,000.00 of water revenue bonds authorized pursuant to the 2014 Election remain unissued and the City proposes to issue additional water revenue bonds so authorized by the 2014 Election in a principal amount not to exceed \$65,000,000.00 to provide funds for said purpose; and

WHEREAS, plans for such additions, extensions and improvements and an estimate of the cost thereof have been prepared and made by the Director of the Department of Water Services of the City and the Consulting Engineer (as defined in the Master Bond Ordinance) and the same are hereby accepted and approved and are on file in the office of the Director of the Department of Water Services; and

WHEREAS, pursuant to Second Committee Substitute for Ordinance No. 080197 passed by the City on August 14, 2008, as previously amended and supplemented (the “**Master Bond Ordinance**”), the City heretofore issued and has outstanding the following Senior Bonds (as defined herein) payable from the Pledged Revenues (as defined in the Master Bond Ordinance) of the System:

<u>Series of Bonds</u>	<u>Dated Date</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
Water Revenue Bonds, Series 2014A (the “ Series 2014A Bonds ”)	05/22/2014	\$54,365,000	\$41,575,000
Water Revenue Bonds, Series 2015A (the “ Series 2015A Bonds ”)	04/23/2015	\$59,790,000	\$50,195,000
Water Revenue Bonds, Series 2017A (the “ Series 2017A Bonds ”)	02/24/2017	\$78,130,000	\$66,145,000
Water Refunding Revenue Bonds, Series 2019A (the “ Series 2019A Bonds ”)	08/07/2019	\$72,865,000	\$40,115,000
Water Revenue Bonds, Series 2020A (the “ Series 2020A Bonds ”)	06/24/2020	\$64,720,000	\$58,855,000
Water Refunding Revenue Bonds, Series 2021A	10/27/2021	\$67,985,000	\$60,340,000

(the “Series 2021A Bonds”)

WHEREAS, under the provisions of the Master Bond Ordinance, the City may issue additional water revenue bonds payable out of the Pledged Revenues of the System that are on a parity with the Outstanding Senior Bonds, if certain conditions are met; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and the citizens of the area served by the System that water revenue bonds be issued and secured in the form and manner provided in the Master Bond Ordinance and this Ordinance in an aggregate principal amount not to exceed \$65,000,000.00 in order to finance the costs of making certain additions, extensions and improvements to the System as authorized by the voters at the 2014 Election, subject to the Certificate of Final Terms and the conditions of the Master Bond Ordinance; NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. For all purposes of this Ordinance, except as otherwise provided or unless the context otherwise requires, words and terms used in this Ordinance shall have the meanings set forth in **Section 1.1** of the Master Bond Ordinance and the following meanings set forth in this **Section 1.1**. Any words and terms defined herein that are not already defined in the Master Bond Ordinance are intended to supplement the definitions contained therein. Any words and terms defined herein that are already defined in the Master Bond Ordinance are intended to replace and supersede such definitions already contained therein for purposes related to the Series 2023A Bonds. If any of the following definitions conflict with the definitions already set forth in the Master Bond Ordinance, the definitions set forth herein shall take precedence:

“**Bond Ordinance**” means collectively this Ordinance and the Master Bond Ordinance.

“**Bond Registrar**” means any bank or trust company designated as such by the City in the Bond Ordinance with respect to any of the Bonds. Such Bond Registrar shall perform the duties required of the Bond Registrar in the Bond Ordinance. Security Bank of Kansas City, Kansas City, Kansas, is hereby designated as Bond Registrar for the Series 2023A Bonds; provided, however, that in connection with the issuance of any SRF Bonds, the City shall appoint such separate Bond Registrar designated by the issuer of the SRF Bonds.

“**Certificate of Final Terms**” means **Exhibit C**, executed and delivered by the Mayor pursuant to **Section 6.1** hereof, in substantially the form attached as **Exhibit D**.

“**Debt Service Reserve Debt Service Coverage Requirement**” means with respect to the Series 2023A Bonds, 130% of the average annual Debt Service Requirements on all Outstanding Senior Bonds, which are not Senior SRF Bonds.

“Debt Service Reserve Requirement Funding Commencement Date” means the first day of the month after a Valuation Date in which the Net Operating Revenues are less than the Debt Service Reserve Debt Service Coverage Requirement for the preceding Fiscal Year.

“Master Bond Ordinance” means Second Committee Substitute for Ordinance No. 080197 passed by the City on August 14, 2008, as amended from time to time.

“Notice of Bond Sale” means, in the event the Series 2023A Bonds are sold pursuant to a Competitive Sale as permitted by **Section 6.1(a)(1)** hereof, the Notice of Bond Sale authorized by **Section 7.2** hereof.

“Ordinance” means this Ordinance as from time to time amended.

“Original Principal Amount” means the principal amount of Series 2023A Bonds originally issued and delivered pursuant to the Master Bond Ordinance and this Ordinance, in the amount specified in the Certificate of Final Terms, subject to the terms in **Exhibit B**.

“Paying Agent” means any bank or trust company, including any successors and assigns thereof, authorized by the City to pay the Principal of, premium, if any, or interest on any Bonds on behalf of the City. Such Paying Agent shall perform the duties required of the Paying Agent in the Master Bond Ordinance and this Ordinance. Security Bank of Kansas City, Kansas City, Kansas, is hereby designated as Paying Agent for the Series 2023A Bonds; provided, however, that in connection with the issuance of any SRF Bonds, the City shall appoint such Paying Agent designated by the issuer of the SRF Bonds.

“Purchase Contract” means, in the event the Series 2023A Bonds are sold pursuant to a Negotiated Sale as permitted by **Section 6.1(a)(2)** hereof, the Purchase Contract relating to the Series 2023A Bonds between the City and the Purchaser.

“Purchaser” means the original purchaser or purchasers of the Series 2023A Bonds selected by the City in accordance with **Section 6.1** hereof and specified in the Certificate of Final Terms.

“Senior Bonds” means the Series 2014A Bonds, the Series 2015A Bonds, the Series 2017A Bonds, the Series 2019A Bonds, the Series 2020A Bonds, the Series 2021A Bonds, the Series 2023A Bonds and any Bonds, including Senior SRF Bonds, issued with a right to payment and secured by a lien on a parity with the Series 2014A Bonds, the Series 2015A Bonds, the Series 2017A Bonds, the Series 2019A Bonds, the Series 2020A Bonds, the Series 2021A Bonds and the Series 2023A Bonds (except with respect to any Credit Facility which may be available only to one or more series of Senior Bonds and except that Senior SRF Bonds shall not be secured by the Debt Service Reserve Account) pursuant to **Section 5.2** or **Section 5.3** of the Master Bond Ordinance.

“Series 2023A Bonds” means the City’s Water Revenue Bonds, Series 2023A, in the Original Principal Amount specified in the Certificate of Final Terms attached hereto as **Exhibit**

C, authorized under **Section 2.1** of this Ordinance and **Section 5.2** of the Master Bond Ordinance.

“**Series 2023A Compliance Account**” means the account by that name within the Project Fund established in **Article IV** of this Ordinance.

“**Series 2023A Costs of Issuance Account**” means the account by that name within the Project Fund established in **Article IV** of this Ordinance.

“**Series 2023A Debt Service Reserve Requirement**” means an amount equal to the average annual debt service with respect to the Outstanding Series 2023A Bonds as calculated after any principal payment on the Series 2023A Bonds (whether at maturity or by redemption).

“**Series 2023A Official Statement**” means the final Official Statement respecting the Series 2023A Bonds.

“**Series 2023A Project**” means the extensions and improvements of the City’s waterworks system, as approved by the voters of the City at the 2014 Election.

“**Series 2023A Project Account**” means the account by that name within the Project Fund established in **Article IV** of this Ordinance.

“**Series 2023A Rebate Subaccount**” means the subaccount by that name within the Rebate Account established in **Article IV** of this Ordinance.

“**Valuation Date**” means the first business day of the month following the presentation of the annual financial statement of the System to the City Council, but in no event later than November 30th of any year.

ARTICLE II **AUTHORIZATION OF THE SERIES 2023A BONDS**

Section 2.1. Authorization of Series 2023A Bonds; Details. The City hereby authorizes the execution, issuance, and delivery of a series of Bonds to be designated “City of Kansas City, Missouri Water Revenue Bonds, Series 2023A” (the “**Series 2023A Bonds**”) in the Original Principal Amount specified in the Certificate of Final Terms, which Series 2023A Bonds shall be executed, issued, and delivered under, and secured by, the Master Bond Ordinance and this Ordinance.

The Series 2023A Bonds shall be dated the date of delivery specified in the Certificate of Final Terms. The Series 2023A Bonds shall be numbered in a convenient manner, established by the Bond Registrar and shown by the Bond Register.

The Series 2023A Bonds and the Bond Registrar’s Certificate of Authentication shall be in substantially the form set forth in **Exhibit A** attached hereto, with such variations, omissions,

substitutions and insertions as are required or permitted by the Master Bond Ordinance and this Ordinance.

The Series 2023A Bonds shall bear interest at the rates per annum to be determined upon the sale of the Series 2023A Bonds as set forth in the Certificate of Final Terms, computed on the basis of a 360-day year consisting of twelve 30-day months, from the dated date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 beginning on the date set forth in the Certificate of Final Terms and shall mature in the years and in the principal amounts to be determined upon the sale of the Series 2023A Bonds as set forth in the Certificate of Final Terms, unless earlier called for redemption, subject to the conditions set forth in **Exhibit B** attached hereto.

ARTICLE III **REDEMPTION OF SERIES 2023A BONDS**

Section 3.1. Optional and Mandatory Redemption of Series 2023A Bonds.

(a) *Optional Redemption of Series 2023A Bonds by City.* At the option of the City, certain of the Series 2023A Bonds or portions thereof may be called for redemption and payment prior to maturity on the dates and at the redemption prices specified in the Certificate of Final Terms.

(b) *Mandatory Redemption of Series 2023A Bonds.* In the event any Series 2023A Bonds are designated as “**Term Bonds**” in the Certificate of Final Terms, such Term Bonds shall be subject to mandatory redemption and payment prior to their maturity pursuant to the mandatory redemption requirements of this **Section 3.1(b)** on the dates and in the principal amounts specified in the Certificate of Final Terms at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the Mandatory Redemption Date (hereinafter defined).

As and for a sinking fund for the retirement prior to maturity of the Term Bonds, there shall be deposited in the Payments Subaccount from the Revenue Fund an amount sufficient to redeem the principal amounts of the Term Bonds on December 1 of each year as set forth in the Certificate of Final Terms (each such date being referred to as a “**Mandatory Redemption Date**”). The City shall redeem such an aggregate principal amount of the Term Bonds at a redemption price equal to the principal amount thereof plus the interest due thereon to the Mandatory Redemption Date.

ARTICLE IV **FUNDS AND ACCOUNTS**

Section 4.1. Establishment of Funds and Accounts. In addition to the Funds and Accounts established in **Section 4.2** of the Master Bond Ordinance, the City hereby establishes the following accounts, and the moneys deposited in such accounts shall be held in trust for the purposes set forth in the Master Bond Ordinance and this Ordinance:

4.1.1. Within the City of Kansas City, Missouri Waterworks Rebate Account in the Revenue Fund (the “**Rebate Account**”), a Series 2023A Rebate Subaccount.

4.1.2. Within the City of Kansas City, Missouri Waterworks Project Fund (the “**Project Fund**”), a Series 2023A Project Account, a Series 2023A Compliance Account and a Series 2023A Costs of Issuance Account.

Each account listed above shall be held within the account under which it is created. All accounts listed above are further described in **Article IV** of the Master Bond Ordinance, except for (i) the Rebate Subaccount as further described in **Section 6.11** of the Master Bond Ordinance, (ii) the Project Fund as further described in **Article XI** of the Master Bond Ordinance and (iii) the Series 2023A Compliance Account as further described in **Section 6.4** of this Ordinance.

Section 4.2. Investment Earnings. All Investment Earnings from the Series 2023A Project Account, the Series 2023A Compliance Account and the Series 2023A Costs of Issuance Account shall be retained or transferred to the Payments Subaccount of the Sinking Fund Account. All Investment Earnings on the Debt Service Reserve Subaccount shall be retained in such subaccount at all times unless the balance of the Debt Service Reserve Subaccount is equal to or greater than the Debt Service Reserve Requirement, then such Investment Earnings shall be deposited into the Payments Subaccount.

ARTICLE V **GENERAL PROVISIONS**

Section 5.1. Applicability of Master Bond Ordinance. Except as otherwise provided in this Ordinance, the provisions of the Master Bond Ordinance are hereby ratified, approved and confirmed and incorporated herein and shall be applicable to the authorization, execution, authentication, issuance, redemption, payment, sale and delivery of the Series 2023A Bonds, the custody and the distribution of the proceeds and the security, payment, redemption and enforcement of payment thereof. The requirements of **Article V** of the Master Bond Ordinance regarding the issuance of additional Senior Bonds have been satisfied.

Section 5.2. General Authorization for Series 2023A Bonds. From and after the date of adoption of this Ordinance, the officials, employees, and agents of the City are hereby authorized to do all such acts and things and to execute and deliver any and all other documents, agreements, certificates and instruments as may be necessary or desirable in connection with the execution, delivery and sale of the Series 2023A Bonds, the investment of the proceeds of the Series 2023A Bonds and the transactions contemplated on the part of the City by this Ordinance. The Director of Finance and City Clerk are hereby authorized and directed to prepare and furnish to the Purchaser, when the Series 2023A Bonds are issued, certified copies of all proceedings and records of the City relating to the Series 2023A Bonds or to the Master Bond Ordinance and this Ordinance, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Series 2023A Bonds as such facts appear from the books and records in such officers’ custody and control or as otherwise known to them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

Section 5.3. Debt Service Reserve Subaccount. The City elects pursuant to the definition of Debt Service Reserve Requirement under the Master Bond Ordinance to reduce the Debt Service Reserve Requirement for Senior Bonds to the amount currently on deposit, so that no deposits to the Debt Service Reserve Subaccount of the Sinking Fund Account shall be required in connection with the issuance of the Series 2023A Bonds since the City obtained the necessary confirmation from each Rating Agency that its current rating on the Senior Bonds would not be reduced or withdrawn based upon definitions or provisions pertaining to the Debt Service Reserve Requirement.

Upon the occurrence of a Debt Service Reserve Requirement Funding Commencement Date, the City shall, pursuant to the provisions of **Sections 4.3** and **4.4** of the Master Bond Ordinance, make monthly deposits to the Debt Service Reserve Subaccount equal to 1/24th of the Series 2023A Debt Service Reserve Requirement for 24 months until the Series 2023A Debt Service Reserve Requirement is satisfied.

ARTICLE VI
SALE AND APPLICATION OF PROCEEDS OF SERIES 2023A BONDS

Section 6.1. Method of Sale and Terms of Series 2023A Bonds; Authorization and Execution of Certificate of Final Terms.

(a) Upon the advice and recommendation of Hilltop Securities Inc. and Independent Public Advisors, LLC, as the City’s co-financial advisors, the City is hereby authorized to sell the Series 2023A Bonds utilizing one of the following methods:

(1) a competitive public sale (“**Competitive Sale**”) pursuant to which the City will sell the Series 2023A Bonds to the bidder offering to purchase the Series 2023A Bonds, based on the principal amounts and maturities set forth in the Notice of Bond Sale and proposal form, submitting the lowest “true interest cost” as defined therein, subject to the limitations set forth in this **Section 6.1** and **Exhibit B** hereto. If the City sells the Series 2023A Bonds via a Competitive Sale, the City is authorized to accept the best bid in accordance with the Certificate of Final Terms, subject to the limitations set forth in **Exhibit B** hereto, and the Director of Finance is authorized to accept the best bid for and on behalf of and as the act and deed of the City; or

(2) a negotiated sale (“**Negotiated Sale**”) pursuant to which the City will sell the Series 2023A Bonds to Morgan Stanley & Co., LLC, as senior-managing underwriter, acting on its own behalf and on behalf of American Veterans Group, PBC, Siebert Williams Shank & Co., LLC, UMB Bank, N.A., and Valdés & Moreno, Inc., as co-managing underwriters, under the terms of the Purchase Contract, subject to the limitations set forth in this **Section 6.1** and **Exhibit B** hereto. If the City sells the Series 2023A Bonds via a Negotiated Sale, the City is authorized to enter into the Purchase Contract in accordance with the Certificate of Final Terms, subject to the limitations set forth in **Exhibit B** hereto, and the Director of Finance is authorized to execute the Purchase Contract for and on behalf of and as the act and deed of the City.

(b) The Mayor is authorized and directed to approve the purchase price for the Series 2023A Bonds, the principal amounts by maturity, the interest rates, the terms of credit enhancement, if any, and the other final terms of the Series 2023A Bonds, including applicable redemption provisions, subject to the limitations set forth in this **Section 6.1** and **Exhibit B** hereto, and in connection therewith, to execute and deliver the Certificate of Final Terms for and on behalf of and as the act and deed of the City, which approval will be conclusively evidenced by the Mayor's execution of the Certificate of Final Terms. Upon execution, the Certificate of Final Terms will be attached to this Ordinance as **Exhibit C**, and the City Clerk is hereby authorized to file the Certificate of Final Terms with this Ordinance.

Section 6.2. Application of Series 2023A Bond Proceeds. Upon the written request of the City, the Bond Registrar shall authenticate and deliver to DTC or hold the Series 2023A Bonds as "Fast Agent" for the benefit of the Beneficial Owners and shall receive a receipt for the Series 2023A Bonds. The net proceeds received from the sale of the Series 2023A Bonds shall be deposited simultaneously with the delivery of the Series 2023A Bonds as follows:

- (a) A portion of the net proceeds of the Series 2023A Bonds in an amount specified in the Certificate of Final Terms shall be deposited in the Series 2023A Compliance Account.
- (b) A portion of the net proceeds of the Series 2023A Bonds in an amount specified in the Certificate of Final Terms shall be deposited in the Series 2023A Costs of Issuance Account to pay the costs of issuing the Series 2023A Bonds as authorized by the Director of Finance.
- (c) The remaining portion of the net proceeds of the Series 2023A Bonds in an amount specified in the Certificate of Final Terms shall be deposited in the Series 2023A Project Account.

Section 6.3. Moneys in the Series 2023A Costs of Issuance Account. Moneys in the Series 2023A Costs of Issuance Account shall be used solely for the purpose of paying the costs and expenses incident to the issuance of the Series 2023A Bonds upon certification thereof by the Director of Finance. On the latest to occur of (i) the payment in full of such amounts (as certified by the Director of Finance) or (ii) the date which is six months following the date on which the Series 2023A Bonds are issued, any moneys remaining in the Series 2023A Costs of Issuance Account shall be applied in accordance with **Section 11.1(b)** of the Master Bond Ordinance.

Section 6.4. Moneys in the Series 2023A Compliance Account. Moneys in the Series 2023A Compliance Account shall be used to pay costs associated with retaining any rebate analyst or other expert to perform any rebate computations or other calculations necessary to ensure the City maintains compliance with the requirements for rebate under Section 148(f) of the Code or any of the City's duties with respect to the Rebate Account as provided in **Section 6.11** of the Master Bond Ordinance. Any Series 2023A Bond proceeds or Investment Earnings

thereon remaining in the Series 2023A Compliance Account five (5) years and 180 days after the date of issuance of the Series 2023A Bonds shall be disbursed as follows:

- (a) If the Series 2023A Project is not yet complete, Series 2023A Bond proceeds or Investment Earnings thereon remaining in the Series 2023A Compliance Account shall be transferred to the Series 2023A Project Account; or
- (b) If the Series 2023A Project is complete, Series 2023A Bond proceeds or Investment Earnings thereon remaining in the Series 2023A Compliance Account shall be disbursed in accordance with **Section 11.4** of the Master Bond Ordinance.

ARTICLE VII **MISCELLANEOUS PROVISIONS**

Section 7.1. Preliminary Official Statement and Series 2023A Official Statement.

(a) The use and public distribution of the Preliminary Official Statement dated the date thereof in connection with the sale of the Series 2023A Bonds is hereby authorized and approved, and the Series 2023A Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Director of Finance is hereby authorized to execute the Series 2023A Official Statement as so supplemented, amended and completed, and the use and public distribution of the Series 2023A Official Statement by the Purchaser in connection with the reoffering of the Series 2023A Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Series 2023A Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Series 2023A Bonds.

(b) For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the proper officials of the City are hereby authorized to deem the information regarding the City contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of such Rule.

(c) The City agrees to provide to the Purchaser within seven business days of the date of the sale of Series 2023A Bonds sufficient copies of the Series 2023A Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 7.2. Notice of Bond Sale. In the event the City determines to sell the Series 2023A Bonds via a Competitive Sale as set forth in **Section 6.1(a)(1)** hereof, the Director of Finance is hereby authorized to execute the Notice of Bond Sale, and the use and public

distribution of the Notice of Bond Sale in connection with a Competitive Sale of the Series 2023A Bonds is hereby authorized.

Section 7.3. Continuing Disclosure Undertaking. The City covenants and agrees to enter into a Continuing Disclosure Undertaking (the “**Continuing Disclosure Undertaking**”) in order to satisfy the City’s ongoing disclosure requirements promulgated by Securities and Exchange Commission Rule 15c2-12, as amended, in connection with the issuance of the Series 2023A Bonds. The Director of Finance is hereby authorized to execute and deliver the Continuing Disclosure Undertaking for and on behalf of the City, with such changes therein as he deems necessary or desirable. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered a default under this Ordinance or the Master Bond Ordinance. Remedies for a default under the Continuing Disclosure Undertaking shall be limited to those set forth in the Continuing Disclosure Undertaking.

Section 7.4. Approval of Contracts. The City hereby approves the selection (a) of Gilmore & Bell, P.C., and Hardwick Law Firm, LLC, as co-bond counsel and co-disclosure counsel for the Series 2023A Bonds, and (b) of Hilltop Securities Inc. and Independent Public Advisors, LLC, as the City’s co-financial advisors for the Series 2023A Bonds, and approves and ratifies all contracts in connection with such selections.

Section 7.5. Severability. In case any one or more of the provisions of this Ordinance or of the Series 2023A Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Ordinance or of the Series 2023A Bonds, but this Ordinance and the Series 2023A Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Series 2023A Bonds or in this Ordinance shall for any reason be held to be unenforceable or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent that the power to incur such obligation or to make such covenant, stipulation or agreement shall have been conferred on the City by law.

Section 7.6. Electronic Storage. The City agrees that the transactions described herein may be conducted and related documents may be sent, stored and received by electronic means.

Section 7.7. Applicable Provisions of Law. This Ordinance shall be governed by and construed and enforced in accordance with the laws of the State and the Charter.

Section 7.8. Appropriations, Establishment of Funds in the City’s Records and Reimbursement.

(a) That revenue of \$1,300,000.00 is hereby estimated in Fund 8079, the Water Revenue Bond Fund Series 2023A, in the following accounts:

AL-8079-120000-485100	Premium on Sale of Bonds	\$1,300,000.00
-----------------------	--------------------------	----------------

(b) That the sum of \$1,300,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 8079 the Water Revenue Bond Fund Series 2023A, to the following accounts:

AL-8079-129620-G	Cost of Issuance	\$270,000.00
AL-8079-129686-B	Arbitrage Rebate Calculation	10,000.00
AL-8079-129631-G	Underwriters' Discount	400,000.00
AL-8079-129632-G	Discount on Sale of Bonds	<u>620,000.00</u>
	TOTAL	\$1,300,000.00

(c) That the Director of Finance is designated as the requisitioning authority for Accounts No. AL-8079-129620, AL-8079-129686, AL-8079-129631, and AL-8079-129632.

(d) That the City Council 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 appropriations in **subsection (b)** of this **Section 7.8** ("**Appropriations**") with the proceeds of the Series 2023A Bonds expected to be issued by the City. The maximum principal amount of the Series 2023A Bonds expected to be issued for the Appropriations is not anticipated to exceed \$1,300,000.00. This constitutes a declaration of official intent under Treasury Regulation 1.150-2.

(e) That the Director of Finance is hereby authorized to close project accounts upon project completion and return the unspent portion of the appropriation to the Fund Balance from which it came.

(f) That the Director of Finance is hereby authorized to modify the previously approved estimated revenues and appropriations in **subsections (a)** and **(b)** of this **Section 7.8** as required to correctly record the budgetary amounts finalized through the sale of the Series 2023A Bonds into the marketplace.

Section 7.9. Effective Date. This Ordinance will take effect and be in full force and effect ten (10) days after its passage.

[Remainder of this page intentionally left blank.]

EXHIBIT A

FORM OF SERIES 2023A BONDS

EXCEPT AS OTHERWISE PROVIDED IN THE BOND ORDINANCE (REFERRED TO HEREIN), THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

UNITED STATES OF AMERICA

STATE OF MISSOURI

**Registered
No. R-___**

**Registered
\$**

CITY OF KANSAS CITY, MISSOURI

**WATER REVENUE BOND
SERIES 2023A**

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated</u>	<u>CUSIP</u>
December 1, 20__	_____ %	_____ , 2023	

Registered Owner: _____ ** CEDE & CO. ******

**Principal Amount: _____
DOLLARS**

CITY OF KANSAS CITY, MISSOURI (the “City”), a constitutional charter city and political subdivision duly organized and existing under the Constitution and laws of the State of Missouri, for value received, hereby promises to pay (but only out of the sources provided) to the registered owner identified above, or registered assigns, on the Maturity Date stated above unless this Bond shall have been called for redemption prior to maturity and payment of the redemption price shall have been duly made or provided for, the principal amount identified above and to pay (but only out of the sources provided) interest on the balance of such principal amount from time to time remaining unpaid from and including the date hereof or from and including the most recent Interest Payment Date (as hereinafter defined) with respect to which interest has been paid or duly provided for, until payment of such principal amount has been made, at the Interest Rate per annum shown above (computed on the basis of a 360-day year consisting of twelve 30-day months) on June 1 and December 1 of each year (each an “**Interest Payment Date**”)

commencing [_____], [20__], until the payment of the principal amount of this Bond is paid in full.

Principal of and redemption premium, if any, on this Bond are payable when due in lawful money of the United States of America upon presentation and surrender of this Bond at the principal payment office of Security Bank of Kansas City, Kansas City, Kansas, as registrar and paying agent (the “**Bond Registrar**” or the “**Paying Agent**”). Payment of interest on this Bond shall be made to the registered owner and shall be paid in lawful money of the United States of America by check or draft mailed on the applicable Interest Payment Date to such registered owner as of the close of business on the 15th day of the calendar month (the “**Record Date**”) immediately preceding such Interest Payment Date at its address as it appears on the registration books (the “**Bond Register**”) of the City maintained by the Bond Registrar, or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

Notwithstanding the foregoing, interest on this Bond shall be payable to any registered owner of more than \$500,000.00 in aggregate principal of the Bonds of the same series as this Bond (including this Bond) by deposit of immediately available funds to the account of such registered owner maintained with the Paying Agent or transmitted by electronic transfer to such registered owner at an account maintained at a commercial bank located within the United States of America, if the Paying Agent receives from such registered owner written deposit or electronic transfer instructions not less than 15 days prior to the Record Date preceding the Interest Payment Date for which the deposit or electronic transfer is requested.

This Bond is one of a duly authorized series of bonds designated “City of Kansas City, Missouri Water Revenue Bonds, Series 2023A” (the “**Series 2023A Bonds**”), issued by the City pursuant to and in full compliance with the provisions of the Constitution and laws of the State of Missouri, including specifically, but without limitation, the Charter and an election duly held in the City. The Series 2023A Bonds have been authorized by a Master Bond Ordinance and a Series Ordinance duly adopted by the City (collectively, the “**Bond Ordinance**”) for the purpose of financing the costs of certain additions, extension and improvements to the System. The Series 2023A Bonds are all issued under and equally and ratably secured by and entitled to the benefit of the Master Bond Ordinance. *Capitalized terms not defined herein are used with the meanings given to them in the Bond Ordinance.*

The Series 2023A Bonds maturing on or after December 1, [20__], are subject to redemption prior to maturity at the option of the City on or after December 1, [20__], in whole or in part at any time, at a redemption price equal to 100% of the principal amount of the Series 2023A Bonds to be redeemed plus accrued interest to the redemption date.

[The Series 2023A Bonds maturing on December 1, 20__, are subject to mandatory redemption prior to maturity by application of payments from the Sinking Fund Account, in accordance with the Bond Ordinance, at a redemption price equal to the principal amounts of the Series 2023A Bonds set forth below plus the interest due thereon on the redemption date, on December 1 in each year as set forth below:

Series 2023A Bonds Maturing December 1, 20__

<u>Year</u>	<u>Principal Amount</u>
20__	
20__	
20__	
20__	
20__	
+Final Maturity]	

Notice of redemption, unless waived, is to be given by first class mail at least 30 days prior to the date fixed for redemption to the registered owner of each Series 2023A Bond to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All such Series 2023A Bonds called for redemption and for the retirement of which funds are duly provided shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2023A Bonds on such date, and interest on the Series 2023A Bonds or portions of Series 2023A Bonds so called for redemption shall cease to accrue, such Series 2023A Bonds or portions of Series 2023A Bonds shall cease to be entitled to any lien, benefit, or security under the Bond Ordinance, and the owners of such Series 2023A Bonds or portions of Series 2023A Bonds shall have no rights in respect thereof except to receive payment of the redemption price. Any defect in any notice of redemption shall not affect the validity of proceedings for the redemption of any Series 2023A Bonds.

The City (or Paying Agent on behalf of the City) has established a book-entry system of registration for the Series 2023A Bonds. Except as specifically provided otherwise in the Bond Ordinance, an agent will hold this Bond on behalf of the Beneficial Owner hereof. By acceptance of a confirmation of purchase, delivery, or transfer, the Beneficial Owner of this Bond shall be deemed to have agreed to such arrangement. While the Series 2023A Bonds are in the book-entry system of registration, the Bond Ordinance provides special provisions relating to the Series 2023A Bonds which override certain other provisions of the Bond Ordinance. This Bond is transferable by the registered owner at the principal corporate trust office of the Bond Registrar or at such other office designated by the Bond Registrar for such purpose, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Bond Ordinance and upon surrender of this Bond. Upon such transfer, a new registered Bond or Bonds of the same series, maturity, interest rate, aggregate principal amount, and tenor, of any authorized denomination or denominations, and bearing numbers not then outstanding, will be issued to the transferee in exchange for this Bond. The Series 2023A Bonds are issuable as fully registered Bonds in the denomination of \$5,000.00 or any integral multiple thereof. The Bond Registrar is not required to transfer or exchange any Series 2023A Bond after notice calling such Series 2023A Bond for redemption has been given or during the period of 15 days (whether or not a Business Day for the Bond Registrar, but excluding the redemption date and including such 15th day) immediately preceding the giving of such notice of redemption. Unless this Bond is presented by an authorized representative of The Depository Trust Company (“DTC”), a New York corporation, to the City or its agent for registration of transfer, exchange, or payment, and any Series 2023A Bond issued is registered in the name of Cede & Co. or in such other name as

is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The Series 2023A Bonds, the Series 2021A Bonds, the Series 2020A Bonds, the Series 2019A Bonds, the Series 2017A, the Series 2015A Bonds and the Series 2014A Bonds and such other revenue bonds of the City as may in the future be issued on a parity therewith, are equally and ratably secured by pledge of the **“Pledged Revenues”** of the waterworks system (the **“System”**) of the City, which is defined in the Master Bond Ordinance to include net operating revenues, certain amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, moneys and securities from time to time on deposit in the funds and accounts established in the Bond Ordinance, and earnings on investments made with the foregoing moneys and securities, excluding any amounts required in the Bond Ordinance to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated with respect to any such rebate requirement.

THE SERIES 2023A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE CITY NOR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE SERIES 2023A BONDS SHALL NOT BE PAYABLE FROM OR A CHARGE UPON ANY FUNDS OTHER THAN THE REVENUES AND AMOUNTS PLEDGED TO THE PAYMENT THEREOF, NOR SHALL THE CITY BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. NO OWNER OR OWNERS OF THIS BOND SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY TO PAY THIS BOND OR THE INTEREST HEREON, NOR TO ENFORCE PAYMENT OF THIS BOND AGAINST ANY PROPERTY OF THE CITY; NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY, EXCEPT FOR THE PLEDGED REVENUES AND ANY OTHER FUNDS PLEDGED TO SECURE THE SERIES 2023A BONDS.

The City has covenanted and hereby covenants and agrees at all times while any Series 2023A Bonds are Outstanding and unpaid to prescribe, fix, maintain, and collect rates, fees, and other charges for the services, facilities, and commodities furnished by the System fully sufficient at all times to: (i) provide for 100% of the Expenses of Operation and Maintenance of the System, and (ii) produce Net Operating Revenues, adjusted to exclude any revenues or expenses resulting from a gain or loss, or mark-to-market change to any Hedge Agreement, in each Fiscal Year which, together with Investment Earnings, will: (a) equal at least 125% of the Debt Service Requirement on all Senior Bonds then Outstanding for the Fiscal Year of computation, 115% of the Debt Service Requirement on all Bonds then Outstanding for the Fiscal Year of computation and 110% of the Debt Service Requirement on all Bonds and Other System Obligations then Outstanding for the Fiscal Year of computation, (b) enable the City to make all required payments into the Debt Service Reserve Subaccount and the Rebate Account and to any Credit Facility Provider, any Reserve Account Credit Facility Provider, and any Hedge Payments, (c) enable the City to make any payments into the Renewal and Replacement

Account required by the Operating and Capital Reserves Policy established and approved by the Water Services Department and the City Council, as may be amended from time to time, and (d) will remedy all deficiencies in required payments into any of the funds and accounts established under the Bond Ordinance from prior Fiscal Years.

The Bond Ordinance contains a more particular statement of the covenants and provisions securing the Series 2023A Bonds, the conditions under which the owner of this Bond may enforce covenants (other than the covenant to pay Principal of and interest on this Bond when due from the sources provided, the right to enforce which is unconditional), the conditions upon which additional revenue bonds may be issued on a parity or achieve parity status with this Bond under the Bond Ordinance, and the conditions upon which the Bond Ordinance may be amended with the consent of the owners of a majority in aggregate Principal of the Series 2023A Bonds of each class (senior and subordinate) Outstanding or the issuer of any Credit Facility, if any, of such Bonds. Upon the occurrence of an Event of Default under the Bond Ordinance, the owner of this Bond shall be entitled to the remedies provided by the Bond Ordinance.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law.

This Bond shall not be entitled to any security or benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and has caused the official seal of the City to be affixed hereto or imprinted hereon.

CITY OF KANSAS CITY, MISSOURI

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds of the series described in the within mentioned Bond Ordinance.

as Bond Registrar

By:

Authorized Signatory

Date of Registration and Authentication:

_____, _____

The following abbreviations, when used in the inscription on this Bond or in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
 - TEN ENT - as tenants by the entireties
 - JT TEN - as joint tenants with right of survivorship and not as tenants in common and not as community property
 - UNIF TRANS
 - MIN ACT - _____ Custodian _____
(Custodian) (Minor)
- under Uniform Transfers to Minors Act _____
(State)

Additional abbreviations may be used although not in the above list.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(Print or Typewrite Name, Address and Social Security Number
or Taxpayer Identification Number of Assignee)

the within Bond of the City of Kansas City, Missouri, and does hereby irrevocably constitute and appoint

Attorney

to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ ,

Notice: The signature on this assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed By:

Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (12 CFR 240.17 Ad-15) or any similar rule which the Bond Registrar deems applicable

By: _____
Title: _____

EXHIBIT B

TERMS OF THE SERIES 2023A BONDS

1. Purchase Price: Not less than 95% of the Original Principal Amount.
2. Weighted Average Maturity of the Series 2023A Bonds: Not less than 13.5 years nor more than 17.5 years.
3. Costs of Issuance, not including the Purchaser's Discount: Not to exceed \$525,000.00.
4. True Interest Cost: Not to exceed 6.25%.
5. Optional Redemption: The Series 2023A Bonds shall be subject to redemption at the option of the City prior to their Stated Maturities on a date that is not later than December 1, 2034, at a Redemption Price not to exceed 100% of the principal amount thereof.
6. Final Maturity: Not later than December 1, 2047.

EXHIBIT C

CERTIFICATE OF FINAL TERMS

EXHIBIT D

FORM OF CERTIFICATE OF FINAL TERMS

The undersigned Mayor of the City of Kansas City, Missouri (the “City”), in connection with the issuance of the City’s Water Revenue Bonds, Series 2023A (the “Bonds”), certifies pursuant to **Section 6.1** of Ordinance No. 22____:

1. Original Principal Amount. The Series 2023A Bonds are issued in the Original Principal Amount of \$[_____].
2. First Interest Payment Date for the Series 2023A Bonds. [December 1/June 1], [20____].
3. Maturity Schedule. The Series 2023A Bonds will mature on the dates and in the amounts and bear interest at the rates as follows:

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>
<u>December 1</u>	<u>Amount</u>	<u>Rate</u>

† Term Bond

4. Weighted Average Maturity of the Series 2023A Bonds. The weighted average maturity of the Series 2023A Bonds is [_____] years, as shown on **Schedule 1** to this Certificate.
5. True Interest Cost. The True Interest Cost of the Series 2023A Bonds is [_____]%, as shown on **Schedule 2** to this Certificate.
6. Costs of Issuance (excluding underwriter’s discount). The costs of issuing the Series 2023A Bonds, excluding any purchaser’s/underwriter’s discount, is \$[_____].
7. Purchaser. [*Pursuant to **Section 6.1(a)(1)** of this Ordinance, the Series 2023A Bonds are being sold to _____, as the bidder submitting the lowest “true interest cost” in accordance with the Notice of Bond Sale*] [**Pursuant to **Section 6.1(a)(2)** of this Ordinance, the Series 2023A Bonds are being sold to Morgan Stanley & Co., LLC, as representative of the underwriters of the Series 2023A Bonds in accordance with the Purchase Contract.**]
8. Purchase Price. The purchase price of the Series 2023A Bonds is \$_____, (representing the principal amount of \$_____, plus the premium of \$_____, less the [underwriter’s discount] of \$_____), which purchase price is _____% of the Principal Amount.
9. Optional Redemption. At the option of the City, Series 2023A Bonds or portions thereof maturing on December 1, 20___, and thereafter may be called for redemption and payment prior to maturity on December 1, 20___, and thereafter in whole or in part at any time in such amounts for each maturity as shall be determined by the City at a redemption price equal to 100% of the principal amount, plus accrued interest thereon to the redemption date.
10. Mandatory Sinking Fund Redemption. [**There are no Term Bonds subject to mandatory sinking fund redemption prior to maturity.**][**The Term Bonds identified in paragraph 3 are subject to mandatory sinking fund redemption pursuant to Section _____ of the Ordinance on the dates and in the amounts as follows:
11. Deposit of Series 2023A Bond Proceeds. The net proceeds received from the sale of the Series 2023A Bonds shall be deposited simultaneously with the delivery of the Series 2023A Bonds as follows:

- (a) \$[_____] of the net proceeds of the Series 2023A Bonds shall be deposited in the Series 2023A Compliance Account.
- (b) \$[_____] of the net proceeds of the Series 2023A Bonds shall be deposited in the Series 2023A Costs of Issuance Account to pay the costs of issuing the Series 2023A Bonds as authorized by the Director of Finance.
- (c) the remaining \$[_____] of the net proceeds of the Series 2023A Bonds shall be deposited in the Series 2023A Project Account.

12. Debt Service Reserve Subaccount. If the Debt Service Reserve Subaccount is required to be funded pursuant to **Section 5.3** of the Ordinance, the City shall, pursuant to the provisions of **Section 4.3** of the Master Bond Ordinance, make monthly deposits equal to 1/24th of the Series 2023A Debt Service Reserve Requirement for 24 months until the Series 2023A Debt Service Reserve Requirement is satisfied.

The terms set forth in this Certificate of Final Terms are within the limitations of **Exhibit B** to the Ordinance.

Delivered this ____ day of _____, 2023.

CITY OF KANSAS CITY, MISSOURI

By: _____
Mayor

..end

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.

Tammy L. Queen
Director of Finance

Approved as to form:

Katherine Chander
Senior Associate City Attorney



APPROPRIATION TRANSACTION
CITY OF KANSAS CITY, MISSOURI

DEPARTMENT: **Finance Department**

BUSINESS UNIT: **KCMBU** DATE: **12/1/2022** JOURNAL ID: _____

LEDGER GROUP: **ADMIN** BUDGET PERIO **2023**

	<u>FUND</u>	<u>DEPT ID</u>	<u>ACCOUNT</u>	<u>PROJECT</u>	<u>AMOUNT</u>
AL	8079	129620	743050		270,000.00
AL	8079	129686	743250		10,000.00
AL	8079	129631	743050		400,000.00
AL	8079	129632	743150		620,000.00

TOTAL 1,300,000.00

DESCRIPTION:
Appropriating Water Revenue Bond Proceeds for FY23 sale

APPROVED BY:	DATE	APPROVED BY: DEPARTMENT HEAD	DATE
Dan Grandcolas	10/11/2022		



REQUEST FOR SUPPLEMENTAL REVENUE

CITY OF KANSAS CITY, MISSOURI

DEPARTMENT: Finance Department

BUSINESS UNIT: KCMBU DATE: 12/1/2022 JOURNAL ID: _____

LEDGER GROUP: _____ REVENUE

	<u>FUND</u>	<u>DEPT ID</u>	<u>ACCOUNT</u>	<u>PROJECT</u>	<u>AMOUNT</u>
<u>AL</u>	<u>8079</u>	<u>120000</u>	<u>590000</u>	_____	<u>\$1,300,000.00</u>
TOTAL					<u>1,300,000.00</u>

DESCRIPTION:
Estimating Water Revenue Bond Proceeds for FY23 sale

APPROVED BY:	DATE	APPROVED BY: DEPARTMENT HEAD	DATE
<u>Dan Grandcolas</u>	<u>10/11/2022</u>	_____	_____

Sanitary Sewer System & Water Series 2023A Revenue Bonds

Finance, Governance and Public Safety Committee
Ordinance Nos. 221046 and 221047

December 14, 2022

Purpose of the Ordinances

- Authorize the issuance of bonds
 - Sewer Revenue Bonds, Series 2023A
 - Not to exceed \$115 million
 - Water Revenue Bonds, Series 2023A
 - Not to exceed \$65 million
- Estimate bond proceeds

Background

Ordinance No. 221046

- In April 2022, voters approved \$750 million of Sanitary Sewer Bond Authority
- Ordinance No. 220954
 - Estimated and Appropriated \$103.8 million in sanitary sewer revenue bond proceeds
 - Passed November 3, 2022
- Series 2023A Bonds
 - First issuance from the April 2022 voted authorization
 - Estimated debt service
 - Approximately \$7.25 million per year over 25 years
- Repayment Source
 - Net revenues of the sanitary sewer system

Background

Ordinance No. 221047

- In April 2014, voters approved \$500 million of Water Revenue Bond Authority
 - \$297 million remaining authority
- Ordinance No. 220953
 - Estimated and Appropriated \$57.6 million in water revenue bond proceeds
 - Passed November 3, 2022
- Series 2023A Bonds
 - Finance \$57.6 million of waterworks capital projects
 - Estimated debt service
 - Approximately \$4 million per year over 25 years
- Repayment Source
 - Net revenues of the waterworks system

Finance Professionals

- Co-bond & Co-Disclosure Counsel
 - Gilmore & Bell, PC
 - Hardwick Law Firm, LLC (certified M/WBE)
- Financial Advisor
 - Hilltop Securities, Inc.
 - Independent Public Advisors, LLC (certified M/WBE)

Underwriting Syndicate

- Morgan Stanley – Senior Manager
- American Veterans Group, PBC
- Siebert Williams Shank & Co., LLC (W/MBE)
- Valdes & Moreno, Inc. (certified M/DBE)

Calendar

Event	Water Refunding	Sewer Refunding
Credit Ratings Calls	Week of Dec 5 th	Week of Dec 5 th
Bond Ordinances Effective *	December 26 th	December 26 th
Pricing	January 18 th	January 19 th
Closing	February 2 nd	February 2 nd

* Request for advance

QUESTIONS?



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Finance

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

The ordinance requests the authority to sell, issue and deliver water revenue bonds in an amount not to exceed \$65 million for the purpose of additions, extensions, and improvements the City’s Waterworks System. The ordinance also estimates \$1.3 million of gross premium proceeds and appropriates the funds for anticipated costs of issuance.

Discussion

The voters of Kansas City authorized the issuance of \$500 million in revenue bonds for extensions and improvements to the City's waterworks system. The City has previously issued \$202.6 million of water revenue bonds and there is approximately \$297.3 million of authorization outstanding. The ordinance estimates and appropriates \$57.6 million in advance of the sale of water revenue bonds in the Spring of 2023 that will drawdown the remaining voted authority.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No

2. What is the funding source?

Net revenues of the water revenue fund, fund number 8010.

3. How does the legislation affect the current fiscal year?

Ordinance Number 220953, passed by the City Council on November 3, 2022, estimated and appropriated \$57.6 million in bond proceeds for capital projects related to the Sanitary Sewer System. This ordinance will authorize the sale of bonds to fund the appropriations and also pay transaction costs of the sale.

4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

Estimated debt service, based upon a November 2022 analysis by the City's financial advisors, will be about \$4.1 million a year for a twenty-five year term totaling approximately \$103 million.



City of Kansas City, Missouri

Docket Memo

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

The bonds will require the City to annually set rates and charges of the water revenue system in amounts that will provide 1.25X coverage on debt service on all outstanding water revenue bonds including the bonds that will be issued to fund this ordinance.

Budget Review

(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

Additional Discussion (if needed)

N/A

Citywide Business Plan Impact

Supports the infrastructure & accessibility goal to develop infrastructure critical assets toward the goal of keeping those assets at good or better condition.

Prior Legislation

Ordinance 140036 dated January 23, 2014, and Ordinance No. 220953 passed on November 3, 2022.

Service Level Impacts

Water customer service levels will benefit long-term from projects completed in a timely and efficient manner. Service levels are impacted by a number of factors, but the quality of the assets utilized is critical.

Other Impacts



City of Kansas City, Missouri

Docket Memo

1. What will be the potential health impacts to any affected groups?

None

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?

The Water system will be maintained and enhanced with the replacement of water mains in the City for quality service in the future.

4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?

N/A

5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?

Yes

CONTRACTOR:	Hilltop Securities, Inc.
Address:	717 N. Harwood St., Suite 3400 Dallas, TX 75201
Contract #	EV2267-18 – Financial Advisory Services for Water Revenue Bonds, Series 2023A & Sewer Revenue Bonds, Series 2023A
Contract Amount:	\$238,000.00*
MBE Goal	20%
WBE Goal:	0%
Total MBE Achieved:	20%
Total WBE Achieved:	0%

MBE SUBCONTRACTORS:	
Name:	Independent Public Advisors, LLC
Address:	5440 N. Mercier Ave. Kansas City, MO 64118
Scope of Work:	Financial Advisory Services
Dollar Amount:	\$44,200
Ownership:	Pooler, Tionna
Structure:	African-American Female Code 19

WBE SUBCONTRACTORS:

None

Comments:

*Note: The contract includes reimbursable costs for printing and electronic dissemination. The MBE participation is based on the remaining contract amount of \$221,000.



File #: 221048

ORDINANCE NO. 221048

Sponsor: Councilmember Kevin McManus

Cancelling the City Council standing committee meetings and business and legislative sessions for the weeks of March 27, 2023, May 29, 2023, July 3, 2023, July 17, 2023, July 24, 2023, August 28, 2023, September 4, 2023, November 13, 2023, November 20, 2023, December 18, 2023 and December 25, 2023.

WHEREAS, the Council desires to cancel the standing committee meetings and business and legislative sessions scheduled for the weeks of March 27, 2023, May 29, 2023, July 3, 2023, July 17, 2023, July 24, 2023, August 28, 2023, September 4, 2023, November 13, 2023, November 20, 2023, December 18, 2023 and December 25, 2023; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Council standing committee meetings and business and legislative sessions for the weeks of March 27, 2023, May 29, 2023, July 3, 2023, July 17, 2023, July 24, 2023, August 28, 2023, September 4, 2023, November 13, 2023, November 20, 2023, December 18, 2023 and December 25, 2023 are hereby cancelled.

..end

Approved as to form:

Lana K. Torczon
Senior Associate City Attorney

No
Fact
Sheet
Provided
For
Ordinance
221048



File #: 221049

ORDINANCE NO. 221049

Sponsor: Director of the Health Department

Amending Chapter 46, Code of Ordinances, entitled “Noise Control” by repealing and replacing 46-39 and 46-40 with new Sections 46-39 and 46-40 of like title and by adding a new 46-50, entitled “Penalties—Court,” for the purpose of adding back a municipal court penalty section.

WHEREAS, outcomes from noise disturbances have been shown to negatively affect the health of residents; and

WHEREAS, lack of sleep is associated with anxiety, contributing to substance use disorders, and increasing the severity of psychiatric symptoms, and may play a role in cardiovascular risk factors; and

WHEREAS, in children, sleep disturbances can impair cognition and worsen attention deficit hyperactivity disorder; and

WHEREAS, the City always seeks to improve its laws to fill in gaps and make them more effective to improve the quality of life for its residents; and

WHEREAS, these changes to the current Noise Code involve enforcement of the noise ordinance in instances which do not require decibel readings,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Chapter 46, Code of Ordinances, entitled “Noise Control” is hereby amended by repealing and replacing 46-39 and 46-40 with new Sections 46-39 and 46-40 of like title and by adding a new 46-50, entitled “Penalties—Court,” for the purpose of adding back a municipal court penalty section, said sections to read as follows:

ARTICLE I. - IN GENERAL

Sec. 46-39. Administration citation fine for violation of chapter.

(a) The Director of Health may issue an administrative citation for violations of any provision of this Chapter in lieu of the penalty provisions of section 46-50.

(b) The administrative citation fine amount for a first violation under the provisions of this Chapter shall be \$100.00 and each day that a violation continues shall constitute a separate offense for which the violator may be fined.

(c) The administrative citation fine for repeat violations of the same City Code provision by the same person within 12 months from the date of the first violation shall be as set forth in the following schedule and each day that a violation continues shall constitute a separate offense for which the violator may be fined:

- (1) Second violation: Not less than \$100.00 but not more than \$300.00.
- (2) Third violation: Not less than \$300.00 but not more than \$500.00.
- (3) Fourth and subsequent violations: Not less than \$500.00 but not more than \$1,000.00.

(d) Any administrative citation fine which is not paid on or before its due date shall accrue a one-time penalty in an amount equal to the original administrative citation fine. Said penalty shall be collected in the same manner as the underlying fine.

(e) The director may waive a portion of the amount of administrative citation fines that have accumulated as a result of non-compliance with City Code provided that the owner has achieved compliance in a timely manner and there are no other violations of chapter 46.

Sec. 46-40. Payment of Administrative Fine.

(a) The alleged violator must either pay the scheduled administrative citation fine by the due date indicated on the administrative citation or request a hearing within 20 days from the date of the administrative citation as outlined in Sec. 46-42.

(b) Payment of a fine under this chapter shall not excuse or discharge any continuation or repeated occurrence of the City Code violation that is the subject of the administrative citation.

(c) If an administrative citation fine is not paid within the time specified and no request for a hearing is timely received, the nonpayment of the fine will constitute a personal obligation of the violator. A personal obligation may be collected by the city by any appropriate legal means including assessing the applicable property.

Sec. 46-50. Penalties-Court.

(a) Any first violation of this Chapter is punishable by a fine of \$100.00, plus any applicable court costs.

(b) The fines for repeat violations of the same City Code provision by the same person within 12 months from the date of the first violation shall be as set forth in the following schedule, plus any applicable court costs:

- (1) Second violation: Not less than \$100.00 but not more than \$300.00.
- (2) Third violation: Not less than \$300.00 but not more than \$500.00.
- (3) Fourth and subsequent violations: Not less than \$500.00 but not more than \$1,000.00, and/or up to 180 days in jail.

(c) Every day that a violation continues shall be considered a separate offense, for which the violator may be tried and convicted without necessity of further notice.

..end

Approved as to form:

Joseph Guarino
Senior Associate City Attorney

City of Kansas City, Missouri



Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Health

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

Discussion

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No
2. What is the funding source?
3. How does the legislation affect the current fiscal year?
4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?

City of Kansas City, Missouri

Docket Memo



Budget Review

(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

Additional Discussion (if needed)

Citywide Business Plan Impact

Prior Legislation

Service Level Impacts

Other Impacts

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

City of Kansas City, Missouri



Docket Memo

4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?

5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?



File #: 221050

ORDINANCE NO. 221050

Sponsor: Director of the Health Department

Approving a professional services contract with Lighthouse Lab Services for the amount of \$100,000.00 for laboratory services consulting; and authorizing the Director of Health to extend the term of the contract or increase the total contract dollar amount upon need and appropriation without further Council approval.

WHEREAS, the Kansas City, Missouri Health Department is seeking new ways to leverage laboratory services for the City;

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Health is authorized to execute a professional services contract with Lighthouse Lab services in the amount of \$100,000.00 for laboratory services consulting for the contract period of November 1, 2022 to February 28, 2023, to be paid from funds previously appropriated in Account No. 23-2480-505069-B-G50506924. A copy of the contract, in substantial form, is on file with the Director of Health.

Section 2. That the Director is hereby authorized to extend the term of this contract without further Council approval and that the Director is also hereby authorized to amend this contract to increase or decrease the total contract dollar amount contingent upon the need and availability of appropriated funds.

..end

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.

Tammy L. Queen
Director of Finance

Approved as to form:

Joseph Guarino
Senior Associate City Attorney

City of Kansas City, Missouri



Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Health

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

Discussion

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No
2. What is the funding source?
3. How does the legislation affect the current fiscal year?
4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?

City of Kansas City, Missouri

Docket Memo



Budget Review

(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

Additional Discussion (if needed)

Citywide Business Plan Impact

Prior Legislation

Service Level Impacts

Other Impacts

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

City of Kansas City, Missouri



Docket Memo

4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?

5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?



SLBE Contract Review Request

Date: July 5, 2022
 To: Civil Rights & Equal Opportunity Department
 From: William D. Snook, Senior Information and Policy Officer

Project Number HD76221	Project Name Lab Services Infrastructure Consultant	
Contract ID Number	Estimated Cost: ¹ \$100,000	Solicitation Date:

Estimated Project Duration: August 15, 2022– May 30, 2023

Note: Click the box to select

Contract Category:	<input type="checkbox"/> Construction	<input type="checkbox"/> Design Professional	<input checked="" type="checkbox"/> Professional Services	<input type="checkbox"/> Service/Maintenance
	<input type="checkbox"/> Lease	<input type="checkbox"/> Non-Municipal Agency	<input type="checkbox"/> Concession	<input type="checkbox"/> Other Goods & Services
	<input type="checkbox"/> Other (Enter Type):			
Funding:	<input type="checkbox"/> City	<input checked="" type="checkbox"/> Other:		

PREVAILING WAGE APPLICABLE? YES NO

The Health Department is seeking a contractor to assess and recommend opportunities for improvement of the current Laboratory Services capacity and potential sustainability tactics to maintain the infrastructure of the HD laboratory.

- Previous work or in-depth knowledge of Clinical Laboratory Improvement Amendments,
- Assessment strategies of current lab capabilities within the medical community,
- Contract strategies with third party vendors,
- Knowledge of medical lab tests and equipment needs
- Recruitment and retainment strategies of qualified lab personnel,
- Assessment of current City Medical Contracts and labs performed, and
- Potential sustainability strategies for expanded clinical services.

cc: Kimberlee Hughes

FOR CIVIL RIGHTS & EQUAL OPPORTUNITY DEPARTMENT USE ONLY:

SLBE Limited Solicitation (Following a selection, enter Contractor information below and forward a copy to CREO KC.)

Bid Incentive: ² _____ % (Following a selection, enter Contractor information and forward a copy to CREO KC.)

Pre-Payment: ³ Yes _____ % No

Exempt

DocuSigned by: William D. Snook Date: 7/13/2022

Civil Rights & Equal Opportunity Department

FOR DEPARTMENT USE ONLY - CONTRACTOR INFORMATION:

Enter selected firm below and return a copy of this page to CREO KC.

Company: _____

Vendor No.: _____

Contact: _____

Address: _____

Phone: _____

Contract Value: \$ _____

Department: _____ Date: _____

¹ Construction or construction supply contract estimated less than \$300,000 or non-construction contract less than \$160,000.
² Bid incentive not to exceed 5% and not applicable to any contract requiring the payment of prevailing wages.
³ Pre-Payment of up to 10% of the contract amount to be paid by City upon NTP as set out in the contract documents.

NOTE: Less than 3 SLBEs in the database and there was no interest expressed from the 2 available SLBEs.
 Contract Central



File #: 221051

ORDINANCE NO. 221051

Sponsor: Director of the Health Department

Accepting and approving a five-year, \$7,087,394.00 grant from the Centers for Disease Control and Prevention to provide funding to assist in workforce development and meeting public health foundational capabilities in Kansas City, Missouri; estimating and appropriating \$7,087,394.00 in the Health Grants Fund; designating requisitioning authority; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, the Kansas City Missouri Health Department is expecting to fund 14-15 positions with this funding; and

WHEREAS, this funding will provide for increased efforts in meeting public health foundational capabilities; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That a grant award in the amount of \$7,087,394.00 between the City of Kansas City, Missouri, acting through its Director of Health, and the Centers for Disease Control and Prevention, whereby the Centers for Disease Control and Prevention will provide funding to assist in workforce development and meeting public health foundational capabilities health in Kansas City, Missouri, for the period beginning December 1, 2022 through November 30, 2027, for an amount not to exceed \$7,087,394.00, is hereby accepted and approved. A copy of the agreement, in substantial form, is on file with the Director of Health.

Section 2. That revenue in the following account of the Health Grants Fund is hereby estimated in the following amounts:

23-2480-500001-472084-G50508324	CDC Infrastructure	\$7,087,394.00
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Section 3. That the sum of \$7,087,394.00 is hereby appropriated from the Unappropriated Fund Balance of the Health Grants Fund in the following accounts:

23-2480-505084-A-G50508427	CDC Infrastructure	\$6,248,618.00
23-2480-505084-B-G50508427	CDC Infrastructure	788,776.00
23-2480-505084-C-G50508427	CDC Infrastructure	<u>50,000.00</u>
	TOTAL	\$7,087,394.00

Section 4. That the Director is hereby designated as requisitioning authority for Account No. 23-2480-505084-G50508427 and is hereby authorized to expend the sum of \$7,087,394.00 from funds heretofore appropriated.\

Section 5. That this ordinance, appropriate money, is hereby recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter and shall take effect in accordance with Section 503, City Charter.

..end

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.

Tammy L. Queen
Director of Finance

Approved as to form:

Joseph Guarino
Senior Associate City Attorney

City of Kansas City, Missouri



Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Health

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

Discussion

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No
2. What is the funding source?
3. How does the legislation affect the current fiscal year?
4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?

City of Kansas City, Missouri

Docket Memo



Budget Review

(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

Additional Discussion (if needed)

Citywide Business Plan Impact

Prior Legislation

Service Level Impacts

Other Impacts

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

City of Kansas City, Missouri



Docket Memo

4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?

5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?

Revenues

Account Number	Revenue Account Title
23-2480-505084-472084-G50508424	Strengthening U.S. Public Health infrastructure, Workforce, and Data Systems

Appropriations

Account Number	Appropriation Account Title
23-2480-505084-A-G50508424	Strengthening U.S. Public Health infrastructure, Workforce, and Data Systems
23-2480-505084-B-G50508424	Strengthening U.S. Public Health infrastructure, Workforce, and Data Systems
23-2480-505084-C-G50508424	Strengthening U.S. Public Health infrastructure, Workforce, and Data Systems

Current Budget Estimate	Revised Estimate	Dollar Change
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\$ -	7,087,594.00	7,087,594.00
------	--------------	--------------

Current Estimate	Revised Estimate	Dollar Change
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\$ -	6,227,818.00	6,227,818.00
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\$ -	809,776.00	809,776.00
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\$ -	50,000.00	50,000.00
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\$ -	7,087,594.00	7,087,594.00
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Revenues

Account Number	Revenue Account Title
23-2480-505084-472084-G50508424	Strengthening U.S. Public Health infrastructure, Workforce, and Data Systems

Appropriations

Account Number	Appropriation Account Title
23-2480-505084-A-G50508424	Strengthening U.S. Public Health infrastructure, Workforce, and Data Systems
23-2480-505084-B-G50508424	Strengthening U.S. Public Health infrastructure, Workforce, and Data Systems
23-2480-505084-C-G50508424	Strengthening U.S. Public Health infrastructure, Workforce, and Data Systems

Current Budget Estimate	Revised Estimate	Dollar Change
\$ -	7,087,594.00	7,087,594.00

Current Estimate	Revised Estimate	Dollar Change
\$ -	6,227,818.00	6,227,818.00
\$ -	809,776.00	809,776.00
\$ -	50,000.00	50,000.00
\$ -	7,087,594.00	7,087,594.00

No
Fact
Sheet
Provided
For
Ordinance
221051



File #: 221055

ORDINANCE NO. 221055

Sponsor: Director of Neighborhood Services Department

Accepting \$250,000.00 grant from the Ewing Marion Kauffman Foundation for its Small Business Capital Access Initiative, a collaborative with the City of Kansas City, local chambers, entrepreneurial support organizations (ESOs), community development financial institutions (CDFIs), and banks to provide technical assistance for application prep and financial counseling to entrepreneurs; estimating revenue and appropriating the amount of \$250,000.00 in the General Grants Fund; establishing requisitioning authority; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, the City of Kansas City, Missouri is committed to adopting policies, programs and practices that give underrepresented entrepreneurs more equitable opportunities for economic advancement; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Neighborhood Services is authorized to accept a \$250,000.00 Small Business Capital Access Grant from the Ewing Marion Kauffman Foundation for the City’s office for small business, KC BizCare Office, to provide technical assistance for application prep and financial counseling to underrepresented entrepreneurs.

Section 2. That the Director of Neighborhood Services is authorized to execute a grant agreement with the Ewing Marion Kauffman Foundation to govern the administration of the grant. A copy of the grant agreement is on file with the Director of the Neighborhood Services Department.

Section 3. That the revenue in the following account of the General Grants Fund is estimated in the following amount:

23-2580-570001-480070-G57EMKFSMB22	Ewing Marion Kauffman Foundation SMB Capital Access Initiative	\$250,000.00
------------------------------------	--	--------------

Section 4. That \$250,000.00 is appropriated to the following account:

23-2580-575206-B-G57EMKFSMB22	Ewing Marion Kauffman Foundation SMB Capital
-------------------------------	---

Access Initiative \$250,000.00

Section 5. That the Director of Neighborhood Services is authorized as requisitioning authority for Account No. 23-2580-575206.

Section 6. 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.

..end

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.

Tammy L. Queen
Director of Finance

Approved as to form:

Bret R. Kassen
Associate City Attorney

EWING MARION KAUFFMAN FOUNDATION ("the Foundation")

GRANTEE: City of Kansas City, Missouri
CONTACT: Nia Richardson
AMOUNT: \$250,000.00 (Refer to Exhibit A - Budget)
PROJECT DATES: September 1, 2022 through September 1, 2023
ID: RG-202209-13054

GRANT PURPOSE

Support for the Small Business Capital Access Initiative, a collaborative with the City of Kansas City, local chambers, entrepreneurial support organizations (ESOs), CDFIs, and banks to provide technical assistance for application prep and financial counseling to entrepreneurs.

GRANT TERMS

1. **Use of Grant Funds.** You may use the grant funds only for the purposes stated above and must apply grant funds to the line items listed on the budget attached as **Exhibit A**. All uses of the grant funds must be consistent with religious, charitable, scientific, literary, or educational purposes within the meaning of the Internal Revenue Code, as amended. In addition:
 - Any line item deviation from the itemized budget may not exceed 10% or \$1,000.00 (whichever is greater), without prior approval by the program officer assigned to this grant.
 - All unused grant funds should be returned directly to the Foundation at the end of the grant period, or upon termination of the grant, whichever is earlier.
 - You acknowledge that the Foundation has not earmarked the grant funds or any portion thereof for distribution to any individual other than as compensation for services rendered in furtherance of the grant.
 - If you are regranteeing funds to other organizations, you acknowledge that (i) you retain full discretion and control over the selection of recipient organizations, (ii) neither the Foundation nor its personnel has been or will be involved in recipient selection, and (iii) the funds you regrant will be used exclusively for charitable purposes as described in Section 170(c)(2)(B) of the Code.
2. **Grant Payments and Reports.** The Payment and Reporting Schedule is contained in **Exhibit B**. Grant funds will be paid provided that applicable conditions and milestones have been met, that previously paid amounts have been expended as expected, and that there is satisfactory progress in achieving the purpose of the grant. Payments may be withheld and/or the grant terminated if the Grantee is not able to meet these or other obligations. Progress and Final reports are to be used to detail such progress. It is extremely important that such reports are received by the due dates noted in **Exhibit B**, as the Foundation may withhold payment until the past due report is received, and may terminate the grant if reporting is consistently late or absent.
3. **Exempt Organization Status.** You certify that the Internal Revenue Service has determined you are:
 - a tax-exempt organization under Section 115 of the Code; or
 - a state or a political subdivision thereof within the meaning of Code Section 170(c)(1), or a state college or university within the meaning of Code Section 511(a)(2)(B); or
 - a tax-exempt organization under Section 501(c)(3) of the Code; and
 - a. not a "private grant making foundation" nor
 - b. a "non-functionally integrated Type III supporting organization" within the meaning of Code Section 509(a).

You will immediately inform the Foundation of any change in or challenge to the status you certified in Section 3 above.
4. **Lobbying or Political Activities.** None of the funds provided by the Foundation may be used for lobbying or political activities.
5. **Grant Termination.** The Foundation, at its sole option and discretion, may terminate the grant at any time if: (i) your tax-exempt status changes, (ii) you become unable to carry out the purposes of the grant, (iii) you cease to be an appropriate means of accomplishing the purposes of the grant, (iv) you fail to comply with any of the conditions of the grant, (v) the Foundation is not satisfied with the quality of work or progress toward achieving the purpose of the grant, or (vi) the Foundation believes that you cannot satisfactorily complete the purpose of the grant within the identified timeline.

If for any reason the grant is terminated or expires, you will provide a full accounting of the receipt and disbursement of funds and expenditures incurred under the grant as of the effective date of termination. You will return any grant funds that are not yet expended as permitted by this Grant (funds that have been irrevocably committed to pay to a third party under a non-cancellable agreement may be retained and paid to the third party in fulfillment of your obligations under such agreement). Such non-cancellable agreements should be avoided whenever reasonably possible.

6. **Quality Assurance.** Grantee agrees to cooperate with the Foundation's efforts to assess quality of work done and progress toward achieving the purpose of grant, including possible on-site visits. Grantee will also maintain records of receipts and expenditures and shall make all books and records and supporting documentation related to this grant available to the Foundation or its representative at reasonable time.
7. **Publicity and Acknowledgement of Support.** You agree to cooperate with the Foundation on publicity related

to the grant. All written material, exhibits or interviews related to the grant must acknowledge the Foundation's support and refer to the Foundation by its full name: The Ewing Marion Kauffman Foundation. You should provide the Foundation with advance drafts of any public statements or promotional content for its review at least two weeks before the expected release date. At a minimum or unless otherwise requested by the Foundation, any work funded by the Foundation and subsequently published by you must include the following language: "This work/research was funded by the Ewing Marion Kauffman Foundation. The contents of this publication are solely the responsibility of Grantee."

This document contains the complete understanding of the Foundation and Grantee regarding this grant, and the document's terms and conditions may not be changed except by written agreement signed by an authorized representative of both the Foundation and Grantee. The Foundation's failure to enforce any of the provisions of this document shall not be deemed a waiver of such provision(s) or of any prior or subsequent breach.

EXHIBIT A - BUDGET

Item	Amount
Administrative Fees	\$75,000.00
Marketing/Outreach	\$15,000.00
Accountant Fees	\$150,000.00
Tech/CRM/Data	\$10,000.00
Total	\$250,000.00

EXHIBIT B - PAYMENT AND REPORTING SCHEDULE

Reports will be completed by using the report template in the Fluxx grantee portal.

Payment Schedule:

Within 30 days after receipt of \$250,000.00 signed grant agreement

Report Schedule:

April 28, 2023 Progress Report
 October 1, 2023 Final Report

EXHIBIT C - KEY METRICS

The metrics listed below will be used to measure the effectiveness of this grant.

Key Metrics
200 business owners will establish relationships with key partners to support financial counseling and business planning, as a result of their participation in the SMB Capital Prep Program. Reported results will be disaggregated by race and gender.
75 business owners in the SMB Capital Prep program will grow their business by accessing additional capital. Reported results will be disaggregated by race and gender.

EXHIBIT D - INTELLECTUAL PROPERTY RIGHTS

Any reports, articles, working papers, conference proceedings, data, programs, modules, manuals, curricula, books, television shows, radio shows, web site, software (including both source code and object code) or other work product created by you, or on your behalf, in furtherance of the purposes of this grant (the "Work Product") will remain your property. You will ensure that, to the best of your knowledge, the Work Product does not infringe on or violate the rights of others, including intellectual property and privacy rights, or any law or regulation. You will also ensure that all such Work Product is original with you, owned by you, or that you otherwise have the rights to provide the license set forth below. You agree to provide a copy of the final Work Product to the Foundation as part of the Final Report.

You agree to and do hereby grant to the Foundation a worldwide, royalty free, non-exclusive, irrevocable, license in perpetuity to copy, disseminate, publicly display and perform, create and own derivate works from, sub-license, and

otherwise use the Work Product and any revisions, modification or derivatives of it, in any and all languages and media of expression, whether now known or hereafter created, provided that such use is consistent with the Foundation's charitable, educational and tax exempt purposes. You understand and agree that this license is a material part of the Foundation's grant to you and that among the purposes of such license is ensuring that the Work Product is made publicly available in furtherance of the charitable, scientific, literary, or educational purpose of this grant.

The Foundation agrees that it will not unreasonably withhold its consent to relinquishing the above license upon request by a reputable publisher in connection with publication or dissemination of the Work Product. You agree to inform the Foundation of any such request from the publisher and the Foundation will provide written evidence of having relinquished the license unless the Foundation reasonably and in good faith believes that such relinquishment is not likely to result in making the Work Product publicly available.

The provisions of this Exhibit D survive expiration or termination of this grant.

EXHIBIT E - DETERMINATION OF RECIPIENT FOR TRAVEL OR STUDY STIPENDS

As of the date of the awarding of this grant, the recipients of any travel or study stipends to be paid under this grant have not been determined and City of Kansas City, Missouri acknowledges that the Foundation has no role in determining or identifying the recipients of a travel or study stipend to be awarded hereunder. City of Kansas City, Missouri will award any travel or study stipends on an objective and nondiscriminatory basis.

If you have any questions about the grant, please contact your program officer listed below.

DocuSigned by:
Shakia Webb
ABCAD8DDCE904D3...

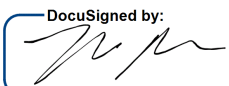
9/29/2022

Shakia Webb
4801 Rockhill Road
Kansas City, Missouri 64110-2046
e-mail: swebb@kauffman.org / www.kauffman.org

Date

The foregoing conditions are hereby accepted and agreed to as of the date indicated.

City of Kansas City, Missouri

DocuSigned by:

By: BF954282F7574E4...

(Signature of Authorized Official)

Title: Managing Director -KC BIZCARE

Date: 10/3/2022

SMB Capital Application Prep Program

City of Kansas City Office of Small Business
The KC BizCare Office

PROGRAM OVERVIEW:

The capital prep program is a collaborative initiative led by the City of Kansas City in partnership with local chambers, entrepreneurial support organizations (ESOs), CDFIs, banks, and funders to provide technical assistance for application prep and financial counseling. The program aims to serve as a lifeline for BIPOC business owners to access low to no-interest capital to start or grow their businesses in the pandemic.

The SMB Capital Prep Program will help to build a long-term capital access eco-system for recovery. By engaging and compensating a network of service providers to engage in preparation work for BIPOC owned small businesses, the city, is the center point for its local small business eco-system. This eco-system, and the network of organizations that participated and support it, will be vital as the city moves from the pandemic recovery through the economic recession.

The model to build a strong infrastructure to get capital to our BIPOC entrepreneurs was piloted through the PPP Prep-Kansas City project that was deployed during the 3rd round of the Paycheck Protection Program (PPP) small business federal relief efforts. The model was introduced to the city through the National League of Cities (NLC) following a model out of Philadelphia.

The city's pilot application preparation program, [PPP-Prep Kansas City](#) assisted black and brown business with accessing close to \$2.5M in SBA and local relief funds and forgiveness and helped the city and its partners to start closing the gap on quality data on BIPOC businesses by building a database on business owners. The long-standing data deficiencies of BIPOC businesses consistently undermines business owners as they seek to advocate for additional resources and support.

THE INFRASTRUCTURE MODEL: elements needed to build a strong program network to support the small businesses in accessing capital include, but not limited to, the following:

1. Identify ESO partner(s) to provide the technical support to the businesses looking to access capital.
2. Working with the ESO partner(s), identify qualified accountant/bookkeepers to provide back-office support for assisting businesses with preparing financial statements.
3. Identify 1-5 financial partners with low or no-interest rate capital products that the ESO(s) can assist the small businesses with accessing.

4. Development of a “capital ready” checklist to certify that the small business’s application has all the required paperwork to successfully apply for the loan.
5. Set a goal for a number of businesses, raise capital, and develop a flat-fee model to incentivize service providers to partake.
6. Launch a capital campaign for outreach to local entrepreneurs through collective social media platforms, email, webinars, etc.
7. Create a data dashboard of aggregated data of program applicants for capital access

THE PROGRAM STRUCTURE: the program structure for how business will access the program and support services are as followed:

1. Fill out an in-take form through a central platform, the [KC BizCare Website](#), to request assistance. The ESO partner will
2. Upon completion of the in-take, entrepreneurs will receive a general or customized (depending on the number of loan products) checklist of required application documents through the platform (website).
3. Receive consultation with ESO and accountant/bookkeeper to prepare financial statements and other required application documents.
4. Organize paperwork and prepare application for submittal with financial partner.

PROGRAM BUDGET: the following is a budget summary for the program on an annual basis per ESO partner is \$250,000:

Category	Summary of Scope	Amount	
Administrative Fees	To cover costs of the administrative support of the ESO partner to designate a FT/PT staff person(s) to support follow up, scheduling, and application prep	\$75,000	
Marketing/Outreach	Marketing expenses related to outreach efforts to promote the program and activation activities (events). A social media marketing campaign and ads.	\$15,000	
Accountant Fees	Develop a flat-fee model to incentivize service providers to provide 2 hours minimum one on one consulting to businesses owner to helps prepare financial documents for the grant/loan application. This can also include admin fees for a FT/PT accountant/bookkeeper dedicated to the program.	\$150,000	
Tech/CRM/Data	Design and build of a in-take form and data dashboard for the applicants to the program.	\$10,000	
		<u>\$250,000.00</u>	

DATA DASHBOARD: reporting for the capital application prep program that will tracked via, the in-take and client tracking form will include, but not limited to:

1. **Number of training hours**
2. **Number of clients trained**
3. **Number of clients receiving approved loan or grant funding starting a business**
4. **Number of clients receiving approved loan or grant funding with their business in operation (business survival)**
5. **Number of jobs created or retained**
6. **Percent increase of revenue (gross sale dollars)**
7. **Metric Crosscuts.** measure the outputs and outcomes through the following crosscuts:
 - a. Gender
 - b. Race
 - c. Ethnicity
 - d. Veteran Status
 - e. Disability Status
 - f. LGBTQ
 - g. Business Status - Years in Business
 - h. Business Industry
 - i. Geography (via Zip Code)
 - j. State

Number of unique clients who receive assistance in the development of their:

- Loan application
- Grant application
- Other application

Dollar amount request of completed:

- Loan application
- Grant application

Dollar (millions) amount of approved

- Loans
- Grants (Federal, State, Local or Private Sector Grants)

Number of counseling hours to develop and submit:

- Loan application
- Grant application
- Other application

Number of counseling hours provided for:

- Credit counseling, financial literacy
- Business technical assistance (operation, marketing, sales, management, etc.)
- Contracting and procurement
- Other business development technical assistance (exporting, industry specific technical assistance)

LEGISLATIVE FACT SHEET		Legislation Number:	
		Approval Deadline:	
LEGISLATION IN BRIEF:			
<p>What is the reason for this legislation?</p>	<p>Fact Sheet Color Codes</p> <p>User Entered Field</p> <p>User Select From Menu</p> <p>For OMB Use</p>		
<p>Discussion (including relationship to other Council actions)</p>	<p>Sponsor(s)</p> <p>Programs, Departments, or Groups Affected</p> <p>Sub-Program in Budget (page #)</p>		
	<p>Applicants/ Proponents</p>	<p>City Department</p>	<p>Other</p>
<p>Citywide Business Plan Goal</p>	<p>Staff Recommendation</p>		
<p>Citywide Business Plan Objective</p>	<p>Board or Commission Recommendation</p>		
<p>Citywide Business Plan Strategy</p>	<p>Future Impacts</p>		
	<p>Cost of Legislation current Fiscal Year</p>		
	<p>Costs in Future Fiscal Years?</p>		
	<p>Annual Revenue Increase/Decrease</p>		
	<p>Applicable Dates:</p>		
	<p>Prepared by:</p>		
	<p>Date Prepared:</p>		
	<p>Reviewed by:</p>		
	<p>Date Reviewed</p>		
	<p>Reference Numbers</p>		



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution # TMP-2501

Submitted Department/Preparer: Neighborhoods

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

Accepting \$250,000.00 from the Ewing Marion Kauffman Foundation for its Small Business Capital Access Initiative, a collaborative with the City of Kansas City, local chambers, entrepreneurial support organizations (ESOs), CDFIs, and banks to provide technical assistance for application prep and financial counseling to entrepreneurs.; estimating revenue and appropriating the amount of \$250,000.00 in the General Grants Fund; establishing requisitioning authority; and recognizing this ordinance as having an accelerated effective date.

Discussion

Support for the Small Business Capital Access Initiative, a collaborative with the City of Kansas City, local chambers, entrepreneurial support organizations (ESOs), CDFIs, and banks to provide technical assistance for application prep and financial counseling to entrepreneurs. The two key Metrics for this grant are the following. (1.) 200 business owners will establish relationships with key partners to support financial counseling and business planning, as a result of their participation in the SMB Capital Prep Program. Reported results will be disaggregated by race and gender. (2.) 75 business owners in the SMB Capital Prep program will grow their business by accessing additional capital. Reported results will be disaggregated by race and gender.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No

2. What is the funding source?

Grant funds from 2580-575206-G57EMKFSMB22

3. How does the legislation affect the current fiscal year?

This ordinance is revenue support and will not have a net impact on the current fiscal year.

4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.



City of Kansas City, Missouri

Docket Memo

This is a one-time award for \$250,000 and will not have direct fiscal impact for the future fiscal years.

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

This ordinance generates one-time pre-paid revenue of \$250,000 received from Ewing Marion Kauffman Foundation SMB Capital Access Initiative.

Budget Review

(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

Additional Discussion (if needed)

Click or tap here to enter text.

Citywide Business Plan Impact

Goal: INFRASTRUCTURE AND ACCESSIBILITY - Engage in efforts to strategically invest in the City's infrastructure and exploring emerging technologies. Objective: to invest in Small Business Capital with technical assistance for application prep and financial counseling to entrepreneurs.

Prior Legislation

N/A

Service Level Impacts

Provide technical assistance to small business owners in all avenues of starting a new small business.

Other Impacts

- 1. What will be the potential health impacts to any affected groups?

City of Kansas City, Missouri



Docket Memo

Will help accelerate growth in small businesses.

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?

Technical assistance can build sustainable capacities; strengthens and empowers small businesses' longevity.

4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?

Yes

5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?

Yes

LEGISLATIVE FISCAL NOTE	LEGISLATION NUMBER:	221055
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LEGISLATION IN BRIEF:

Support for the Small Business Capital Access Initiative, a collaborative with the City of Kansas City, local chambers, entrepreneurial support organizations (ESOs), CDFIs, and banks to provide technical assistance for application prep and financial counseling to entrepreneurs.

What is the purpose of this legislation? OPERATIONAL GRANT

For Accepting financial contributions from Federal State and/or third parties to fund municipal programs. Programs supported by grants may require matching contributions from the City, or for the City to pay for program activities beyond the lifespan of the grant.

Does this grant require a match? <i>See Section 00: " Notes" Below</i>	NO	Yes/No
Does this legislation estimate Grant Revenues? <i>See Section 02 for the New Estimated Revenues by Year.</i>	YES	Yes/No
Does this legislation estimate Grant Appropriations? <i>See Section 03 Below, Note all future Revenues in Section 04.</i>	YES	Yes/No
Does this grant create an ongoing expense for the city? <i>See Section 00: " Notes" Below</i>	NO	Yes/No

Section 00: Notes:

This ordinance estimates and appropriates a one-time grant revenue of \$250,000. Money received in the first year will support grant related operations for FY22-23 and 23-24. after that time, the program will be self maintaining through other revenue sources out side of the City.

If this grant is renewable, we do not assume that it will renew. If it is not, the city assumes the full cost in out years.

FINANCIAL IMPACT OF LEGISLATION

Section 01: If applicable, where are funds appropriated in the current budget?

FUND	DEPTID	ACCOUNT	PROJECT	FY 22-23 BUD	FY 23-24 EST

Section 02: If applicable, where will new revenues be estimated?

FUND	DEPTID	ACCOUNT	PROJECT	FY 22-23 BUD	FY 23-24 EST
2580	570001	480070	G57EMKF5MB22	250,000.00	

Section 03: If applicable, where will appropriations be increased?

FUND	DEPTID	ACCOUNT	PROJECT	FY 22-23 BUD	FY 23-24 EST
2580	575206	619080	G57EMKF5MB22	250,000	

NET IMPACT ON OPERATIONAL BUDGET				-	-
				REVENUE SUPPORTED	

SECTION 04: FIVE-YEAR FISCAL IMPACT (Direct and indirect)

FUND	FUND NAME	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	All Outyears
2580	Grant Fund	250,000						
TOTAL REV		250,000	-	-	-	-	-	-

FUND	FUND NAME	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	All Outyears
2580	Grant Fund	250,000						
TOTAL EXP		250,000	-	-	-	-	-	-

NET Per-YEAR IMPACT		-	-	-	-	-	-	-
NET IMPACT (SIX YEARS)		-						

REVIEWED BY Heather Buscher DATE 12/13/2022

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ORDINANCE No. ____221055__

Accepting \$250,000.00 from the Ewing Marion Kauffman Foundation for its Small Business Capital Access Initiative, a collaborative with the City of Kansas City, local chambers, entrepreneurial support organizations (ESOs), CDFIs, and banks to provide technical assistance for application prep and financial counseling to entrepreneurs.; estimating revenue and appropriating the amount of \$250,000.00 in the General Grants Fund; establishing requisitioning authority; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, the City of Kansas City, Missouri is committed to adopting policies, programs and practices that give underrepresented entrepreneurs more equitable opportunities for economic advancement; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Neighborhood Services is authorized to accept a \$250,000.00 Small Business Capital Access Grant from the Ewing Marion Kauffman Foundation for the City's office for small business, KC BizCare Office, to provide technical assistance for application prep and financial counseling to underrepresented entrepreneurs.

Section 2. That the Director of Neighborhood Services is authorized to execute a grant agreement with the Ewing Marion Kauffman Foundation to govern the administration of the grant. A copy of the grant agreement is on file with the Director of the Neighborhood Services Department.

Section 3. That the revenue in the following account of the General Grants Fund is estimated in the following amount:

23-2580-570001-480070-G57EMKFSMB22 – Ewing Marion Kauffman Foundation SMB Capital Access Initiative	\$250,000.00
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Section 4. That \$250,000.00 is appropriated to the following account:

23-2580-575206-B-G57EMKFSMB22 – Ewing Marion Kauffman Foundation SMB Capital Access Initiative	\$250,000.00
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Section 5. That the Director of Neighborhood Services is authorized as requisitioning authority for Account No. 23-2580-575206.

Section 6. That this ordinance is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(D) of the City Charter and shall take effect in accordance with Section 503, City Charter.

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.

Tammy Queen
Director of Finance

Approved as to form and legality:

Bret R. Kassen
Associate City Attorney



File #: 221062

ORDINANCE NO. 221062

Sponsor: Mayor Quinton Lucas and the Director of the Health Department

Appropriating \$250,000.00 from the Unappropriated Fund Balance of the Health Fund to the Victim-Witness Relocation Program account; directing the Director of Health to issue a solicitation for handling the distribution of the funds to victims and witnesses; and authorizing the Director to enter into a contract with the selected proposer.

WHEREAS, the safety and cooperation of victims and witnesses is crucial to public safety of Kansas City and the successful prosecution of criminal offenders; and

WHEREAS, victims and witnesses may be reluctant to give information and evidence because of perceived or actual physical intimidation or threats against themselves or members of their family, or living in close proximity to their assailants; and

WHEREAS, the Kansas City Police Department has cited difficulty with victim and witness cooperation in all types of criminal cases, including homicides, non-fatal shootings, property crimes, and cases involving domestic violence; and

WHEREAS, victims and witnesses who receive appropriate and adequate care and support are more likely to cooperate with the criminal justice system in bringing perpetrators of crime to justice; and

WHEREAS, there are numerous organizations in the Partners for Peace collaborative that customarily provide witness and victim relocation estimate that the average cost to relocate a nuclear family is anywhere from \$3,000.00 to \$4,000.00; and

WHEREAS, the purpose of the newly established Victim-Witness Relocation Program is to ensure the safety and wellness of Kansas City residents who have been victimized by crime and/or those who wish to assist with investigations and prosecutions of crime; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Health is directed to issue a solicitation for handling the distribution of the funds to victims and witnesses and the Director is authorized to enter into a contract with the selected proposer.

Section 2. That the sum of \$250,000.00 is hereby appropriated from the Unappropriated Fund Balance of the Health Fund to the following account:

23-2330-502019-B	Victim-Witness Relocation Program	\$250,000.00
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..end

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.

Tammy L. Queen
Director of Finance

Approved as to form:

Lana Torczon
Senior Associate City Attorney

No
Fact
Sheet
Provided
For
Ordinance
221062



File #: 221016

ORDINANCE NO. 221016

Sponsor: Director of the Law Department

Authorizing the City Attorney to execute a contract with the Kansas City Area Transportation Authority whereby the City will provide the Kansas City Area Transportation Authority certain litigation services during the period from January 1, 2023, through December 31, 2023, and receive \$166,372.44 for the provision of these services.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Attorney is authorized to execute a contract with the Kansas City Area Transportation Authority whereby the Law Department will provide certain litigation services for the period of January 1, 2023, through December 31, 2023, and receive payment in the amount of \$166,372.44 for those services.

..end

Approved as to form:

G. Steven Diegel
Senior Associate City Attorney

No
Fact
Sheet
Provided
For
Ordinance
221016



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Law

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

To renew the agreement with the Kansas City Area Transportation Authority (KCATA) whereby the Law Department will handle tort litigation and prosecute certain property damage claims during the 2023 calendar year.

Discussion

This ordinance will approve the City’s annual contract with the KCATA for legal services. The City Attorney’s Office will handle tort litigation, as well as certain property damage claims for the KCATA during the one-year period from January 1, 2023, through December 31, 2023. The City will be paid \$166,372.44 for the one-year period. The City has entered into similar contracts with the KCATA for a number of years.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No

2. What is the funding source?

The City will receive payment from the KCATA.

3. How does the legislation affect the current fiscal year?

City will receive payment for the legal services provided.

4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

This legislation does not involve a cost to the City, but rather would involve payment to the City in the 2022-2023 and 2023-2024 fiscal years.

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



City of Kansas City, Missouri

Docket Memo

Yes.

Budget Review

(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

Additional Discussion (if needed)

There is no expense associated with this legislation. Money received from KCATA goes to revenue account 1000-130000-480200

Citywide Business Plan Impact

Finance and Governance.

Prior Legislation

The City has entered into similar agreements with the KCATA in prior years.

Service Level Impacts

This ordinance should not impact service levels.

Other Impacts

- 1. What will be the potential health impacts to any affected groups?

None.

- 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?

This agreement would have no impact on sustainability.



City of Kansas City, Missouri

Docket Memo

4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the City Charter (Chapter 38, titled "Civil Rights")?

No - such does not apply.

5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the City Charter (Chapter 3, titled "Contracts and Leases")?

No - such does not apply.



File #: 221026

ORDINANCE NO. 221026

Sponsor: Director of Neighborhoods Services Department

Approving contracts in the amount of \$108,900.00 from previously appropriated funds in the Neighborhood Tourist Development Fund with various nonprofit organizations for the purpose of promoting neighborhoods and tourism through cultural, social, ethnic, historic, educational, and recreational activities.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Neighborhoods Department is authorized to execute contracts in the total amount of \$108,900.00 with the following agencies in the respective amounts for Neighborhood Tourist Development Fund projects from the funds previously appropriated in Account No. 23-2350-672100-B. These contracts are hereby approved in substantial form, as that on file in the Neighborhoods Department.

Organization	Event/Project Title	Final Award
Gardeners Connect	Kansas City Garden Symposium	\$4,500.00
Global One Urban Farming	Kansas City Jazz in the Garden	\$7,400.00
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Music Theater Heritage	MTH R&H: Unplugged and The Secret Garden	\$8,000.00
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Pilgrim Center, Inc.	Spring Celebration and Planting Day!	\$1,000.00
Show Me KC Schools	Show Me KC Schools Pre-K Fair	\$1,000.00
The Arts Asylum	Hedwig and the Angry Inch	\$8,100.00
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The Junior League of Kansas City, Missouri	C3KC 2023	\$5,200.00
Youth Symphony Association of Kansas City, Inc.	Kansas City Classic Orchestra and Band Festival	\$2,900.00
TOTAL		\$108,900

..end

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.

Tammy L. Queen
Director of Finance

Approved as to form:

Emalea Black
Associate City Attorney

ORDINANCE NO. [TMP-2507] 221026

Approving contracts in the amount of \$108,900 from previously appropriated funds in the Neighborhood Tourist Development Fund with various nonprofit organizations selected as part of the FY 2022-2023 annual application cycle for the purpose of promoting neighborhoods and tourism through cultural, social, ethnic, historic, educational, and recreational activities.

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\$108,900

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Tammy Queen
Director of Finance

Approved as to form and legality:

Emalea Black
Assistant City Attorney

LEGISLATIVE FISCAL NOTE	LEGISLATION NUMBER:	221026
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LEGISLATION IN BRIEF:

Approving contracts in the amount of \$108,900 from previously appropriated funds in the Neighborhood Tourist Development Fund with various nonprofit organizations selected as part of the FY 2022-2023 annual application cycle for the purpose of promoting neighborhoods and tourism through cultural, social, ethnic, historic, educational, and recreational activities.

What is the purpose of this legislation? OPERATIONAL GRANT

For Accepting financial contributions from Federal State and/or third parties to fund municipal programs. Programs supported by grants may require matching contributions from the City, or for the City to pay for program activities beyond the lifespan of the grant.

Does this grant require a match? <i>See Section 00: " Notes" Below</i>	NO	Yes/No
Does this legislation estimate Grant Revenues? <i>See Section 00: " Notes" Below</i>	NO	Yes/No
Does this legislation estimate Grant Appropriations? <i>See Section 00: " Notes" Below</i>	NO	Yes/No
Does this grant create an ongoing expense for the city? <i>See Section 00: " Notes" Below</i>	NO	Yes/No

Section 00: Notes:

If this grant is renewable, we do not assume that it will renew. If it is not, the city assumes the full cost in out years.

FINANCIAL IMPACT OF LEGISLATION

Section 01: If applicable, where are funds appropriated in the current budget?

FUND	DEPTID	ACCOUNT	PROJECT	FY 22-23 BUD	FY 23-24 EST
2350	57	672100		108,900.00	

Section 02: If applicable, where will new revenues be estimated?

FUND	DEPTID	ACCOUNT	PROJECT	FY 22-23 BUD	FY 23-24 EST

Section 03: If applicable, where will appropriations be increased?

FUND	DEPTID	ACCOUNT	PROJECT	FY 22-23 BUD	FY 23-24 EST

NET IMPACT ON OPERATIONAL BUDGET				-	-
				<i>RESERVE STATUS:</i>	

SECTION 04: FIVE-YEAR FISCAL IMPACT (Direct and indirect)

FUND	FUND NAME	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	All Outyears
TOTAL REV		-	-	-	-	-	-	-

FUND	FUND NAME	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	All Outyears
2350	Neighborhood Tourist Develop	108,900						
TOTAL EXP		108,900	-	-	-	-	-	-

NET Per-YEAR IMPACT	(108,900)	-	-	-	-	-	-	-
NET IMPACT (SIX YEARS)	(108,900.00)							

REVIEWED BY Heather Buscher DATE 12/5/2022

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City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Neighborhoods

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

Approving contracts in the amount of \$108,900 from previously appropriated funds in the Neighborhood Tourist Development Fund with various nonprofit organizations selected as part of the FY 2022-2023 annual application cycle for the purpose of promoting neighborhoods and tourism through cultural, social, ethnic, historic, educational, and recreational activities.

Discussion

Neighborhood Services Department received 21 applications for 23 events by the deadline of October 14, 2022 for the 2022-2023 4th Quarter Application Cycle, which supports activities occurring February 1, 2023 through April 30, 2023. All applications were reviewed by the Neighborhood Tourist Development Fund (NTDF) Committee. The NTDF Committee met on November 16, 2022 to review the applications, interview applicants, deliberate and take action on funding recommendations. The committee recommended 19 projects for a total funding amount of \$108,900.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No

2. What is the funding source?

2350 Neighborhood Tourist Development Fund

3. How does the legislation affect the current fiscal year?

None. Funds were adopted in the FY2022-2023 Budget.

4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

This is one-time contracts for each project. Depending on the project date, PO's will need to be rolled over to the next Fiscal Year.



City of Kansas City, Missouri

Docket Memo

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

N/A

Budget Review

(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

Additional Discussion (if needed)

Click or tap here to enter text.

Citywide Business Plan Impact

Goal: Neighborhood Planning and Development Committee - Objective: It contributes to a sustainable Kansas City by promoting Kansas City’s neighborhoods through cultural, social, ethnic, historic, educational, and recreational activities, while promoting our city as a premier convention, visitor and tourist center.

Prior Legislation

N/A

Service Level Impacts

Provide technical assistance to small business owners in all avenues of starting a new small business.

Other Impacts

- 1. What will be the potential health impacts to any affected groups?
Local grants awarded to non-profit organizations to help fund events in the Kansas City Community.
- 2. How have those groups been engaged and involved in the development of this ordinance?



City of Kansas City, Missouri

Docket Memo

Yes. Non-profit organizations submitted applications and interviewed with the NTDF Board for funding consideration.

3. How does this legislation contribute to a sustainable Kansas City?

Neighborhood Tourist Development Fund provides the funding gaps non-organizations events in order to reach out all citizens in the Kansas City limits.

4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?

Yes

5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?

Yes

ORDINANCE NO. [221026]

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Tammy Queen
Director of Finance

Approved as to form and legality:

Emalea Black
Assistant City Attorney

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Tammy Queen
Director of Finance

Approved as to form and legality:

Emalea Black
Assistant City Attorney



Neighborhood Tourist Development Fund



Neighborhood Services Department

NTDF

The Neighborhood Tourist Development Fund (NTDF) program provides support to non-profit organizations to help promote Kansas City's distinct and diverse neighborhoods through cultural, social, ethnic, historic, educational and recreational activities

NTDF Process



Fiscal Overview

- FY 22-23 Budget = \$1,697,264

- NTDF Board elected to set aside 10% in Fund Balance for Major Event Fund.

- Available for 4th Quarter FY2022-23 Award = \$253,500*

*\$1,233,850 previously awarded for the Annual FY2022-23 Cycle in April 2022

Applications

- 23 Applications
- NTDF Board interviewed applicants over four hours the morning of November 16th
- The Board scored applicants that afternoon using established rubric
- Recommended Awards calculated using established matrix based on available funds vs application requests, factoring in score of application strength
- NTDF Board completed deliberation in just over 50 minutes that same afternoon, voting to recommend awarding funds to 19 events

Summary of Awards

Council District	Applications	Recommended Awards	Estimated Audience	Total Awards
1	1	1	4,250	\$7,000
2	0	0	0	\$0
3	5	2	15,850	\$17,400
4	10	9	81,100	\$48,800
5	2	2	650	\$5,500
6	3	3	2,600	\$16,700
Multi	2	2	1,750	\$14,300
	23	19	106,200	\$108,900

Summary



19 Events



\$108,900



106,200 estimated audience



File #: 220937

ORDINANCE NO. 220937

Sponsor: Director of Finance Department

Adopting the 2024-2028 Citywide Business Plan including City Goals, the Financial Strategic Plan, and the Balanced Scenario of the Five-Year Planning Model; and directing the City Manager to align departmental strategic plans and business plans to the Citywide Business Plan.

WHEREAS, the City Council adopted Resolution No. 120879 on October 11, 2012, stating the Council's intent to adopt a long-term financial plan and to review and update it on an annual basis; and

WHEREAS, the City Council adopted Resolution No. 130025 adopting the City's strategic plan of priorities and performance indicators; and

WHEREAS, the residents of Kansas City at the April 8, 2014, Special Election amended the City Charter in Section 804 to mandate the adoption of a Five-year Financial Plan by November 1 of each year; and

WHEREAS, since enactment of this Charter provision, the City Council has annually adopted a resolution approving a Citywide Business Plan including Council Goals, the Financial Strategic Plan, and the Balanced Scenario of the Five-year Planning Model; and

WHEREAS, the Mayor and City Council provided priorities to shape Goals and Objectives on July 10, 2020; and

WHEREAS, City staff specified Objectives and Strategies within City Goals on July 31, 2020; and

WHEREAS, City staff developed 87 strategies which will serve as action plans designed to facilitate completion of objectives within the timeframe of the Citywide Business Plan; and

WHEREAS, the Submitted Citywide Business Plan contains the City Goals, the Financial Strategic Plan, and the proposed Five-year Planning model; and

WHEREAS, the City Goals include Finance and Governance, Housing and Healthy Communities, Public Safety, and Infrastructure and Accessibility, with 18 total Objectives and 86 Strategies; and

WHEREAS, the Financial Strategic Plan proposes 13 financial objectives; and

WHEREAS, the Submitted Citywide Business Plan proposes a Five-Year Planning Model that addresses several objectives in the Financial Strategic Plan; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Council hereby adopts the following City Goals with the following Objectives and Strategies:

Finance and Governance

1. Reform the City's economic incentives to meet the policy objectives of the City Council
 - a. Develop a method to consistently report the financial impact of economic development incentives on taxing jurisdictions, including the City
 - b. Assess the need for an inter-departmental team to review new economic development incentive requests
 - c. Review citywide economic development policies and recommend areas for reform to support equitable and accessible development in all areas of Kansas City
 - d. Assess the organizational alignment of external organizations, statutory agencies and City departments as it relates to economic development.

2. Ensure the resiliency of City government
 - a. Develop an organizational standard of core competencies in law, human resources, and finance
 - b. Implement the PeopleSoft Strategic Plan for human resources and finance
 - c. Develop a strategy for upcoming tax renewals: Earnings Tax (2021), Temporary Health Levy (2023), KC Area Transportation Authority Sales Tax (2024), and Public Safety Sales Tax (2026)
 - d. Update financial policies to identify required actions in response to severe recession, natural disaster, or other financial shock
 - e. Identify solutions to structurally balance special revenue funds traditionally supported by the General Fund
 - f. Implement an outcomes-based budgeting system

- g. Identify and develop adequate diversified funding mechanisms to increase access to affordable housing
 - h. Develop an Information Technology Governance Framework to manage IT efforts, cost and risk, and deliver a unified IT service model across the City
 - i. Develop and implement a comprehensive risk management program
3. Engage in workforce planning including employee recruitment, development, retention, and engagement
- a. Develop a plan to ensure internal candidates are given adequate consideration for promotional opportunities
 - b. Create a plan to adjust pay scales so that they are within the market range using results of the Market Pay Study and its gender equity analysis component
 - c. Develop sustainable strategies to continuously engage all employees and implement recommendations made by the Employee Engagement and Empowerment committees
 - d. Develop partnerships with local educational institutions to effectively recruit the City's entry-level workforce
4. Ensure a responsive, representative, engaged, and transparent City government
- a. Review the City Charter to identify the need for revisions
 - b. Conduct a comprehensive, departmental initiated review of the Code of Ordinances to foster periodic updates
 - c. Commission a tax burden study
 - d. Improve communication between staff and customers by using plain language
 - e. Develop and implement a reporting system to measurably evaluate service request performance and progress in achieving customer service goals

Housing and Healthy Communities

- 1. Maintain and increase affordable housing supply to meet the demands of a diverse population
 - a. Preserve existing affordable rental and owner-occupied housing units citywide

- b. Expand the use of Low-Income Housing Tax Credits for the preservation and construction of new affordable housing units
 - c. Work in a renewed partnership with the Housing Authority of Kansas City and other stakeholders to actively create affordable housing in all areas of the City
 - d.
 - e. Create a range of homeownership assistance programs to remove barriers and encourage residents in all income groups to be homeowners
2. Broaden the capacity and innovative use of funding sources for affordable housing
- a. Capitalize and maintain the Housing Trust Fund
 - b. Align developer incentives with affordable housing production and commitment
 - c. Utilize Brownfield assistance programs to facilitate and support development of new infill affordable housing in established neighborhoods or on repurposed property
3. Invest in neighborhood stabilization and revitalization to reduce blight, ensure sustainable housing, and improve the wellbeing of residents while sustaining their diverse cultures
- a. Focus partnerships with neighborhoods, community groups, and agencies to support existing programs, events and initiatives for resident engagement and social equity
 - b. Provide well-cared-for green space for recreation, public events, and public enjoyment
 - c. Establish baseline criteria for the development of Health Prosperity Zones
 - d. Establish an interdepartmental work group that identifies the underlying causes of the City's racial divide and develop recommendations on how to address this problem
 - e. Integrate human and social benefits of housing policy with natural resource conservation and restoration
 - f. Propose and support Legislation to address environmental health hazards, including air and noise pollution
 - g. Update Food Code to ensure safety of food establishments

- h. Propose and support legislation and other initiatives to provide the City and local neighborhoods better control over the future of vacant properties
 - i. Develop an anti-illegal dumping campaign tied to health and environmental impact
4. Ensure all occupants of residences have quality, efficient, and healthy housing with minimal economic or regulatory barriers
- a. Develop and support actions to eliminate lead paint hazards
 - b. Promote expansion of energy efficient measures as part of housing preservation and new developments
 - c. Develop communication and other strategies to increase compliance with solid waste ordinances, with particular attention to enforcement
 - d. Promote housing mobility and assist residents with access to enhanced services and housing choices
 - e. Advocate for nondiscriminatory, Fair Housing at the state and national level
5. Address the various needs of the City's most vulnerable population
- a. Coordinate with external partners to address people experiencing homelessness and other vulnerable populations
 - b. Increase the level of supportive housing and treatment services to high risk populations to help them secure permanent housing
 - c. Create an interdepartmental work group to assess work being done related to homelessness and develop priorities and strategies to address issues related to homelessness
 - d. Reduce Sexually Transmitted Infections (STIs) and HIV/AIDS, particularly among adolescents
6. Utilize planning approaches to improve the City's neighborhoods
- a. Update the City's comprehensive plan
 - b. Establish standardized guidelines for area implementation committees based on best practices

- c. Develop and implement a plan to foster entrepreneurship, small business growth, and development
- d. Implement the digital equity strategic plan for all residents to have access to the same information technology resources

Public Safety

1. Reduce violent crime among all age groups, placing an emphasis on young offenders
 - a. Set aside annual funding to partner with local schools and provide year-round internship opportunities for students, as is feasible
 - b. Empower all patrolling/enforcement City staff to report dumping and other property violations
 - c. Collaborate across departments to implement a messaging campaign supporting positive social norms and behaviors across all age groups, with an emphasis on youth and young adults
 - d. Provide educational training through KPCP to youths and young adults inside and outside the classroom which affords them with the information necessary to make positive decisions and avoid negative influences
2. Evaluate and identify areas of opportunity in the emergency response delivery system to ensure the best possible patient outcome
 - a. Ensure that staff are trained in trauma-informed care approaches to client service
 - b. Develop programs to handle mental health crises using neighborhood leaders to identify and administer Mental Health First Aid (especially to young adults)
 - c. Expand the City's surge capacity for major outbreaks of disease
 - d. Develop programs and messaging around life safety and injury prevention for the community focusing on vulnerable populations
 - e. Promote expanded automatic aid agreements with neighboring communities to enhance coverage and increase efficiency
 - f. Restore International Academies of Emergency Dispatch accreditation to KCFD Communications Center
 - g. Improve the cardiac survival rate through internal and external training in CPR and other life-saving techniques

- h. Develop initiatives to reduce the number of high utilizers of emergency response services and non-emergent calls
 - i. Ensure interoperability of Police communications are established immediately for mass causality scenes
- 3. Improve the diversity of employee recruitment, succession planning, and retention in the Police and Fire Departments
 - a. Develop programs with other fire service and EMS agencies to leverage the regional pool of applicants to increase diversity and reduce competition
 - b. Recruit a diverse group of teens and adults into careers in Police and Fire service
- 4. Increase effectiveness and efficiencies of operations at Municipal Court and work to achieve the best possible outcomes for those served
 - a. Encourage the maintenance of positive relationships between minors and their incarcerated parents
 - b. Implement a brief Adverse Childhood Experiences (ACEs) survey for households served by the department and refer client families to the Health Department for further support
 - c. Improve access to justice by expanding online partial payments and virtual court dockets
 - d. Develop opportunities to expand education about the municipal judicial system to help build trust between the Court and the Community

Infrastructure and Accessibility

- 1. Enhance the City's resiliency and equity through a safe, efficient, convenient, inclusive, accessible, sustainable, and better connected multi-modal transportation system
 - a. Optimize the City's transit investment to enhance mobility and meet community needs
 - b. Continue to implement complete streets and Vision Zero plans to enhance pedestrian connectivity
 - c. Implement transportation solutions that provide inclusive and equitable access and connect places

- d. Utilize the City's Transit Oriented Development Policy to encourage higher density for new housing developments within close proximity of frequent public transit service
2. Develop environmentally sound and sustainable infrastructure strategies that improve quality of life and foster economic growth
 - a. Update the City's Climate Protection Plan with new goals for greenhouse gas emission reduction, incorporating new strategies for climate adaptation, mitigation, resilience, and the long-term removal of carbon dioxide from the atmosphere
 - b. Reduce financial impacts of the City's Smart Sewer Program by proactively working with the EPA to adjust the timeline for project completion
 - c. Implement the City's Smart Sewer Program by practicing adaptive management approaches and integrating green infrastructure
 - d. Collaborate with Evergy to support implementation of the Renewables (non-carbon-based power) Direct Program
3. Increase and support local workforce development and minority, women, and locally-owned businesses
 - a. Adopt Workforce Disparity Study and begin implementation of broader workforce development programs across City and statutory agencies
 - b. Develop a plan to prioritize the hiring of local companies by the City and statutory agencies
4. Engage in efforts to strategically invest in the City's infrastructure and explore emerging technologies
 - a. Implement improvements at the City's convention and entertainment venues to successfully host conventions, tradeshow and meetings, while maximizing economic impact for the City
 - b. Develop a plan to track and preserve investment in City-owned historic and cultural assets
 - c. Monitor the finance, design, and construction of the Airport's Terminal Modernization Program to bring it in on time and on budget

- d. Develop and update sustainable infrastructure plans that include a comprehensive asset management plan for critical assets that include the goal of keeping infrastructure assets at good or better condition

Section 2. That the City Council hereby adopts the Financial Strategic Plan including the following priorities:

1. Revise the Fund Balance and Reserve Policy to account for amounts above the General Fund Unreserved Fund Balance goal of at least two months operating expenditures
2. Update financial policies to identify required actions in response to severe recession, natural disaster, or other financial shock
3. Identify solutions to structurally balance special revenue funds traditionally supported by the General Fund
4. Adopt a model portfolio of services and adjust the City's expenditure ratios as needed to maintain portfolio balance
5. Seek legislative relief with regard to the five-year renewal of the earnings tax
6. Ensure that fee-supported services are self-supporting to the extent practicable
7. Commission a tax burden study
8. Develop a comprehensive debt portfolio report to demonstrate compliance with the codified debt policy objectives
9. Attain a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and liquidity needs
10. Develop and implement a comprehensive risk management program
11. Implement an outcomes-based budgeting system
12. Develop a long-range funding plan for pension, healthcare, and other post-employment benefits
13. Create a comprehensive financial recovery plan to mitigate the impact of the recession caused by the COVID-19 pandemic

Section 3. That the City Council hereby adopts the Balanced Scenario in the Five-Year Planning Model that addresses objectives identified in this resolution and that includes the following assumptions:

Assume FY 2022-23 Adopted Budget plus the following conditions:

- Assumes annual wage increases in each year of the five-year financial plan at 3.0% for FY 2024, 3.5% for FY 2025 and 4.0% beyond. Collective bargaining agreement terms are included
- Assumes the increase in service levels for recycling carts pursuant to Ordinance No. 220383
- Assumes debt at same level in the General Fund in future years for upcoming fleet replacement needs
- Assumes a vacancy factor of 10% to account for normal attrition
- Assumes a modest economic downturn starting recovery in FY 2025
- Assumes an increase in operating expenditures in FY 2024 to account for ongoing inflation
- The General Fund subsidizes the anticipated shortfall in all other governmental activities funds (Special Revenue, Debt, Capital)

Section 4. That the City Council directs the City Manager to include the assumptions of the Financial Strategic Plan, the Five-Year Planning Model, and year one of the GOKC Bond Plan in the Submitted FY 2023-24 Budget.

Section 5. That the City Council directs the City Manager to direct the strategic and business planning of City departments and to align departmental strategic plans and business plans to the Citywide Business Plan.

Section 6. That the City Council may update and enhance the Citywide Business Plan and the Council's adopted priorities through the Council committee process.

..end

Approved as to form and legality:

Chivonne Scott
Assistant City Attorney

LEGISLATIVE FACT SHEET		Legislation Number:	
		Approval Deadline:	
LEGISLATION IN BRIEF:			
What is the reason for this legislation?	Fact Sheet Color Codes User Entered Field User Select From Menu For OMB Use		
	Sponsor(s)		
	Programs, Departments, or Groups Affected		
	Sub-Program in Budget (page #)		
	Applicants/ Proponents	City Department	
		Other	
	Staff Recommendation		
	Board or Commission Recommendation		
	Future Impacts		
	Cost of Legislation current Fiscal Year		
	Costs in Future Fiscal Years?		
	Annual Revenue Increase/Decrease		
Citywide Business Plan Goal	Applicable Dates:		
	Prepared by:		
Citywide Business Plan Objective	Date Prepared:		
	Reviewed by:		
Citywide Business Plan Strategy	Date Reviewed		
	Reference Numbers		

LEGISLATION IN BRIEF:

Adopting the 2024-2028 Citywide Business Plan including City Goals, the Financial Strategic Plan, and the Balanced Scenario of the Five-year Planning Model; and directing the City Manager to align departmental strategic plans and business plans to the Citywide Business Plan.

What is the purpose of this legislation? LEGISLATIVE

for the purpose of editing, repealing, or creating a provision in the city's code of ordinances; or for stating non-monetary support. This Fiscal note should be blank

Sections 01-04 should be blank. See section 00 for more information

	NO	Yes/No
	NO	Yes/No
	NO	Yes/No
	NO	Yes/No

Section 00: Notes:

FINANCIAL IMPACT OF LEGISLATION

Section 01: If applicable, where are funds appropriated in the current budget?

FUND	DEPTID	ACCOUNT	PROJECT	FY 22-23 BUD	FY 23-24 EST

Section 02: If applicable, where will new revenues be estimated?

FUND	DEPTID	ACCOUNT	PROJECT	FY 22-23 BUD	FY 23-24 EST

Section 03: If applicable, where will appropriations be increased?

FUND	DEPTID	ACCOUNT	PROJECT	FY 22-23 BUD	FY 23-24 EST

NET IMPACT ON OPERATIONAL BUDGET

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RESERVE STATUS:

SECTION 04: FIVE-YEAR FISCAL IMPACT (Direct and indirect)

FUND	FUND NAME	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	All Outyears
TOTAL REV		-	-	-	-	-	-	-

FUND	FUND NAME	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	All Outyears
TOTAL EXP		-	-	-	-	-	-	-

NET Per-YEAR IMPACT	-	-	-	-	-	-	-
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NET IMPACT (SIX YEARS)	-						
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