



# City of Kansas City, Missouri

## Docket Memo

Ordinance/Resolution #: 240093

Submitted Department/Preparer: Finance

Revised 10/23/23

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

## Executive Summary

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

## Discussion

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

Explanation of Second Quarter clean-up items:

### **Section 1.**

This section estimates \$3.3 million in revenue to the Fire Capital Sales Tax Fund in Ground Emergency Medical Transportation (GEMT) revenue to the Fire Capital Sales Tax Fund to reflect revenue already collected as it relates to an inter-fund loan between the General Fund and the Fire Capital Sales Tax Fund.

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

FUND BALANCE IMPACT

**Net Change to Fund Balance: Increase of \$3,301,243.10**

New Estimated Fund Balance: \$16,611,841.00

### **Section 2.**

This section appropriates unappropriated interest earnings from several New Airport Terminal Bond Funds. The total is \$5,997,339.77.

### **Section 3.**

This section estimates \$1,025,000.00 revenue to the Convention and Tourism Fund to support a needed supplement detailed in Section 4. Space rental and service provider concessions have been trending above budget.

**Section 4.**

This section appropriates \$3.0 million from the unappropriated fund balance of the Convention and Tourism Fund. The Convention and Entertainment Facilities Department has several emergency repairs that need supplemented. Additionally, there have been a higher number of events than anticipated in the budget and part of this funding is for event support.

The effect of **Section 4** on the fund balance of the Convention and Tourism Fund is as follows:

FUND BALANCE IMPACT

**Net Change to Fund Balance: Decrease of \$3,000,000.00**

New Estimated Fund Balance: Zero

**Section 5.**

This section appropriates \$600,000.00 from the unappropriated fund balance of the Golf Fund. Golf continues to sustain the popularity it experienced during the pandemic and higher use of the golf courses incurs more cost. There are offsetting increases in revenue to support this supplement.

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

FUND BALANCE IMPACT

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

New Estimated Fund Balance: \$2,863,431

**Section 6.**

The initial estimate of Marijuana Sales Tax to be collected in FY 2023-24 is \$1.5 million. Through previous ordinances, \$1.0 million of this revenue has been estimated and put onto the books of the City. Section 5 estimates the remaining \$500,000.

**Section 7.**

Resolution 230159 expressed the Council's intent that revenue collected from the 3% marijuana sales tax would be used as follows: 1/3 of revenue to be used for trash pick-up/neighborhood clean-up via the Public Works Department, 1/3 of revenue to be used for expanded homelessness response efforts via the Housing Department, and 1/3 of revenue to be used for expanded violence prevention via the Health Department. For the current fiscal year, this breaks down to \$500,000.00 in revenue for each department. The allocations for the Health Department and the Housing Department have been appropriated and Section 6 appropriates the remaining \$500,000 for Solid Waste in Public Works.

The effect of **Section 6 and Section 7** on the fund balance of the Marijuana Sales Tax Fund is as follows:

FUND BALANCE IMPACT

**Net Change to Fund Balance: Net change of zero**

New Estimated Fund Balance: Zero

**Section 8.**

This section appropriates \$11,142,500.00 from the unappropriated fund balance of the General Fund. \$140,000.00 of this appropriation is to support increased costs for fleet maintenance that will be charged back to the Fleet Services fund. Sections 9 and 10 estimate and appropriate this funding in the Fleet Services Fund. There is a \$2,000,000.00 appropriation for Dangerous Building Demolition.

Additionally, there is an \$8,502,500.00 appropriation for the purchase of citywide trash carts.

The effect of **Section 8** on the fund balance of the General Fund is as follows:

FUND BALANCE IMPACT

**Net Change to Fund Balance: Decrease of \$11,142,500.00**

New Estimated Fund Balance: \$265,458,298

**Section 9.**

This section estimates \$500,000 in revenue to the Fleet Services Fund because of higher fleet maintenance that is being charged back to the General Fund and Sewer Funds, related to Sections 8.

**Section 10.**

Fleet Services is experiencing higher than anticipated material costs due to a backlog of projects caused by the unavailability of some specialized auto parts and general price increases. As an Internal Service Fund, these expenses are charged back to departments as users of this centralized service. An appropriation of \$500,000.00 is being added from unappropriated fund balance. This is related to Sections 8 and 9.

The effect of **Section 9 and Section 10** on the fund balance of the Fleet Services Fund is as follows:

FUND BALANCE IMPACT

**Net Change to Fund Balance: Net Neutral**

New Estimated Fund Balance: \$411,914

**Section 11.**

This section appropriates \$1.3 million from the unappropriated fund balance of the Information Technology Reimbursable Fund to fund critical IT projects.

The effect of **Section 11** on the fund balance of the Information Technology Reimbursable Fund is as follows:

FUND BALANCE IMPACT

**Net Change to Fund Balance: Decrease of \$1,306,000.00**

New Estimated Fund Balance: \$493,944

**Section 12.**

This section appropriates \$1.0 million from the unappropriated fund balance of the Capital Improvements Fund. Ordinance 230477 directed the City Manager to find funding for environmental and air quality improvements, and quality of life improvements in the 3<sup>rd</sup> and 5<sup>th</sup> Council Districts.

The effect of **Section 12** on the fund balance of the Capital Improvements Fund is as follows:

FUND BALANCE IMPACT

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

New Estimated Fund Balance: \$134,530,658

**Section 13 and 14.**

Sections 13 and 14 estimate revenue and appropriate \$100,000 in the Downtown Arena Project Fund. This appropriation is needed to fund a capital repair at T-Mobile Center.

The effect of **Section 13 and 14** on the fund balance of the Downtown Arena Project Fund is as follows:

FUND BALANCE IMPACT

**Net Change to Fund Balance: Decrease of \$100,000.00**

New Estimated Fund Balance: Zero

**Section 15.**

This section appropriates \$150,000.00 from the unappropriated fund balance of the Economic Development Fund to provide funding for the Kansas City Area Development Council.

The effect of **Section 15** on the fund balance of the Economic Development Fund is as follows:

FUND BALANCE IMPACT

**Net Change to Fund Balance: Decrease of \$150,000.00**

New Estimated Fund Balance: \$28,642

## Fiscal Impact

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

### Office of Management and Budget Review

(OMB Staff will complete this section.)

1. This legislation is supported by the general fund.  Yes  No

2. This fund has a structural imbalance.  Yes  No
3. Account string has been verified/confirmed.  Yes  No

**Additional Discussion (if needed)**

Click or tap here to enter text.

## Citywide Business Plan (CWBP) Impact

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

## Prior Legislation

231033 - Estimating revenue in the amount of \$42,000.00 in the Marijuana Sales Tax Fund; appropriating \$42,000.00 from the Unappropriated Fund Balance of the Marijuana Sales Tax Fund for the purpose of supporting Client Advocates in meeting the immediate needs of non-fatal shooting victims, families of homicide victims, those most likely to shoot or be shot, and those at risk for retaliation; designating requisitioning authority; authorizing the Director of the Health Department to negotiate and execute a contract with a fiscal agent to manage and disburse appropriated funds; and recognizing this ordinance as having an accelerated effective date.

230906 - Providing additional funding for the Extreme Weather Program in an amount up to \$1,300,000.00 for total funding not to exceed \$1,724,617.00; estimating and appropriating \$500,000.00 from the Marijuana Sales Tax Fund for the Extreme Weather Program; reducing appropriations in the Contingent Appropriation of the General Fund by \$800,000.00; appropriating that amount in the General Fund for the purpose of the Extreme Weather Program; designating requisitioning authority; directing the City

Manager to enter into contracts consistent with this ordinance; directing the City Manager to report back to City Council within 30 days with a report on the implementation plan for the Kansas City Extreme Weather Program; and recognizing this ordinance to have an accelerated effective date.

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

230477 - Appropriating the sum of \$10,000,000.00 from the Unappropriated Fund Balance of the Convention and Sports Complex Fund for the purpose of funding the City's contribution to the South Loop Link Project ("Project"); authorizing the City Manager to negotiate a Funding Agreement with the Downtown Council; designating requisitioning authority; directing the City Manager to report back to the council with the terms of the negotiated Funding/Cooperative Agreement for approval by the City Council; and directing the City Manager to identify \$1,000,000 funds for environmental and air quality improvements.

## Service Level Impacts

## Other Impacts

1. What will be the potential health impacts to any affected groups?  
N/A
2. How have those groups been engaged and involved in the development of this ordinance?  
N/A
3. How does this legislation contribute to a sustainable Kansas City?  
N/A
4. Does this legislation create or preserve new housing units?  
No (Press tab after selecting)

Click or tap here to enter text.

Click or tap here to enter text.

5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

No - CREO's review is not applicable (Press tab after selecting)

Please provide reasoning why not:

Click or tap here to enter text.

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

No(Press tab after selecting)

Click or tap here to enter text.

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

No(Press tab after selecting)