



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 240552

Submitted Department/Preparer: Finance

Revised 6/10/24

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

Authorizing the Director of Finance to enter into a contract with Allen, Gibbs & Houlik, L.C., to perform the annual independent audit of the City's books and records for the fiscal year ending April 30, 2024, to perform other audit services, as requested, and to perform audit and tax services for various component units; and further authorizing the Director of Finance to pay up to \$714,250.00 in consideration for said audit and audit related services; and recognizing this ordinance as having an accelerated effective date.

Discussion

City Charter, Section 836, requires that an annual audit be performed by an independent Certified Public Accountant, and the Federal and State governments are requiring recipients of Federal grants to utilize the OMB Compliance Supplement concept to perform a financial and compliance audit and requiring airports to audit facility charges on an annual organization-wide basis. An RFP was issued with four accounting firms responding. The Civil Rights & Equal Opportunity Department (CREO) established goals for this contract is 20% MBE and 2.17% WBE. The following audits will be performed on an annual basis during the term of this contract:

	2024 Pricing
2024 Audit Services	
City-wide ACFR	300,000.00
KCMO Land Bank (KCLB) - Included with City-wide ACFR	
KCMO Homesteading Authority (KCHA) - Included with City-wide ACFR	
Water Fund	41,000.00
Sewer Fund with a Supplemental Schedule for Storm Water	41,000.00
Kansas City Airports Fund *	86,000.00
KCI Community Improvement District (KCI_CID) - Included with KC Airports audit	
Employees' Retirement System	25,000.00
Firefighters' Pension System	18,500.00
OMB Uniform Guidance	61,500.00
Economic Development Corporation (EDC) **	24,500.00

EDC Loan Corporation **	24,500.00
Tax Increment Financing Commission (TIF)	17,500.00
Land Clearance for Redevelopment Authority (LCRA)	10,000.00
EDC Strategic Initiative Fund (EDC-SIF) **	17,500.00
Maintenance Reserve Corporation (MRC)	3,500.00
Downtown Economic Stimulus Authority (DESA)	7,250.00
American Jazz Museum (AJM) **	15,500.00
Health Fund - External Safety Net Providers (SNP)	21,000.00
Grand Total of the 2024 Audit Contract	<u><u>\$714,250.00</u></u>

* - Includes the Kansas City Airport Financial Assurance Compliance Report

** - Includes preparation of the IRS form 990 preparation

Fiscal Impact

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

2. What is the funding source?

25-1000-129100-B	General Fund Independent Audit	\$405,000.00
25-1000-129110-B	General Fund Ind. Audit – Comp. Units	120,250.00
25-2330-542133-B	Health Fund Safety Net Providers	21,000.00
25-8010-809100-B	Water Fund Independent Audit	41,000.00
25-8110-809100-B	Sewer Fund Independent Audit	41,000.00
25-8300-629100-B	Aviation Fund Independent Audit	86,000.00
	Grand Total	\$714,250.00

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

This contract was included in the current fiscal year budget. The component unit audits are billed through the City and subsequently reimbursed by each of the respective component units.

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

Yes, this is a one year contract with 4 one-year renewal options at the City's discretion. A 3% annual increase is authorized for each renewal year exercised by the City. In the FY 2025 budget, the estimated cost of the component unit audits was \$107,085. Section 3 appropriates an additional \$13,165 to meet the audit contract price of \$120,250 for the component unit audits.

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

The cost of the component unit audits are paid by the City to AGH and subsequently reimbursed by the component units. The audit reimbursement from the component units was not included in the Fiscal Year 2025 budget which is being corrected in Section 2 this ordinance by estimating the \$120,250 of revenues.

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 [Adopted 2025-2029 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):
 - ☒ Ensure the resiliency of a responsive, representative, engaged, and transparent City government.
 - ☐ Engage in workforce planning including employee recruitment, development, retention, and engagement.
 - ☐ Foster a solutions-oriented, welcoming culture for employees and City Partners.
 - ☐
 - ☐
 - ☐

Prior Legislation

Click or tap here to list prior, related ordinances/resolutions.

Service Level Impacts

Click or tap here to provide a description of how this ordinance will impact service levels. List any related key performance indicators and impact.

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.

Yes - I have submitted documents for CREO Review (Press tab after selecting)
Please attach or copy and paste CREO's review.

Contractor Utilization Plan:

MBE: 20%

WBE: 2.17%

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)?
Yes(Press tab after selecting)

In an effort to prevent disclosure of confidential information, a separate communication will be provided to City Council members to reflect the top three proposers for the RFP/Q.