



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 241071

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

Amending Chapter 2, Code of Ordinances, by repealing Section 2-1954 entitled "Fund balance and reserve policy" and enacting in lieu thereof a section of like number and subject matter; and directing the City Manager to require compliance with City partner agency policies for all relevant City contracts entered into or renewed.

Discussion

This legislation amends Chapter 2 of the Code of Ordinances, by simplifying language within the section, differentiating between various levels of fund balance and what each can be used for, defines specific and appropriate uses of General Fund fund balance amounts, adds a contingent appropriation to the Capital Improvements fund, outlines fund balance reserve targets for certain funds, and specifies fund balance targets for the City's partner agencies.

A strong fund balance is critical to weathering financial strains such as economic downturns, emergency capital repairs, or volatility in revenues and expenditures. Additionally, a strong fund balance is a focal point of credit rating agencies and investors. The Government Fiscal Officer's Association (GFOA) recommends a reserve of no less than two months regular general fund operating expenditures for reserves; Moody's Investors Service recommends a fund balance between 15% and 30% of revenues.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No
2. What is the funding source?
N/A
3. How does the legislation affect the current fiscal year?
This legislation would require certain funds and City partner agencies to have a certain level of fund balance reserve as outlined in the ordinance.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
This legislation would require certain funds and City partner agencies to have a certain level of fund balance reserve as outlined in the ordinance.
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 [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

Ordinance 230157

Service Level Impacts

Changes in fund balance policy requirements may affect the level of service being provided to employees and residents of Kansas City.

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:

N/A

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)

