



# City of Kansas City, Missouri

## Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Please Select

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 of the Code of Ordinances of Kansas City, Missouri, Employees’ Retirement System, by repealing Sections 2-1174, 2-1176, 2-1184, 2-1185 and 2-1189 and enacting in lieu thereof sections of like number and subject matter to change the required distribution date set by federal law, change the time requirement to vest from ten to five years for employees in Tier 2 and change the composition of the Board of Trustees of the Employees’ Retirement System Trust in accordance with the collective bargaining agreements between the City and its unions.

### Discussion

Please see the Ordinance for more details.

### Fiscal Impact

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

2. What is the funding source?

This legislation would be a future budget allocation – FY 25.

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

No fiscal impact for this fiscal year.

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

Per an actuarial study that was conducted for the City, the actuarially determined contribution is estimated to be increased by \$292,365 when decreasing vesting eligibility from 10 years to 5 years for Tier 2 members. This change does not dramatically change the funded ratio of the plan. The fiscal impact will increase over time as the Tier 2 members become a larger part of payroll. As of May 1, 2022, Tier 2 was 41% of total payroll. It is projected to be 97% of total payroll within 20 years.



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

There is no generated revenue for this ordinance.

### 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

### Additional Discussion (if needed)

All funds that have personnel budgeted would be impacted by this legislation.

### Citywide Business Plan (CWBP) Impact

View the [FY23 Citywide Business Plan](#)

Which CWBP goal is most impacted by this legislation?

Finance and Governance (Press tab after selecting.)

Which objectives are impacted by this legislation (select all that apply):

- Reform the City's economic incentives to meet the policy objectives of the City Council
- Ensure the resiliency of City government
- Engage in workforce planning including employee recruitment, development, retention, and engagement
- Ensure a responsive, representative, engaged, and transparent City government
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### Prior Legislation

N/A

### Service Level Impacts



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N/A

### 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 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")?

N/A