



**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, May 17, 2023**

**10:30 AM**

**26th Floor, Council Chamber**

**[https://us02web.zoom.us/s/84530222968](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 Fire**

**230407** Sponsor: Director of the Fire Department

Authorizing the acceptance of a \$936,171.27 grant from the United States Department of Homeland Security AFG program, and including a City match of \$93,617.13, or ten percent of the Federal contribution bringing the total cost of Federal and Non-federal funding to \$1,029,788.40; and estimating revenue and appropriating \$936,171.27 to the Assistance to Firefighters Grant (AFG) account in the General Grants Fund

**Attachments:** [Docket Memo G232021FG01975](#)  
[FEMA G232021FG01975 Approp Admin Rev](#)

**Director of Fire**

**230408** Sponsor: Director of the Fire Department

Authorizing the acceptance of a \$9,523.80 grant from the United States Department of Homeland Security Fire Prevention and Safety (FPS) Grant Program, and including a City match of \$476.20, or five percent of the Federal contribution bringing the total cost of Federal and Non-federal funding to \$10,000.00; estimating revenue in the amount of

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\$9,523.80 in the General Grants Fund; and appropriating \$9,523.80 to the Fire Prevention and Safety (FPS) Grant Program account in the General Grants Fund.

**Attachments:**    [230408 Docket Memo](#)  
[FEMA G232021FP00572 Approp Admin Rev](#)

**Director of the Law Department**

**230409**    Sponsor: Director of the Law Department

Authorizing the City Attorney to negotiate and execute a specialized Legal Services Contract with a joint team, consisting of the law firms Williams Dirks Dameron LLC and the Hardwick Law Firm, LLC, a City certified MBE, for the provision of legal services related to the failure of Hyundai and KIA to include anti-theft technology in certain models of their vehicles; and waiving the contract solicitation and award provisions.

**Attachments:**    [docket memo-Williams Hardwick](#)

HELD IN COMMITTEE

**Lucas**

**230157**    Sponsor: Mayor Quinton Lucas

Amending Chapter 2, Code of Ordinances, by repealing Section 2-1954 relating to the City's fund balance and reserve policy and enacting in lieu thereof one new section of like number and subject to modify the required funding floor and ceiling, respectively, of the emergency reserve funds and countercyclical reserve funds of the general fund and amending permissible uses for unassigned general fund balance.

**Attachments:**    [230157 Docket Memo](#)

ADDITIONAL BUSINESS

1. There may be a general discussion regarding current Finance, Governance, and Public Safety issues
2. Those who wish to comment on proposed ordinances can provide testimony to

public.testimony@kcmo.org.

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](http://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 WarnerCable (channel 2 or 98.2), A T & T U-verse (channel 99, then select Kansas City), and Google Fiber on Channel 142.
- To watch archived meetings, visit the City Clerks website and look in the Video on Demand section:

[http://kansascity.granicus.comNiewPublisher.php?view\\_id=2](http://kansascity.granicus.comNiewPublisher.php?view_id=2)

#### 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 take a look at each committee's secretary . 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

Adjournment



**File #:** 230407

ORDINANCE NO. 230407

Sponsor: Director of the Fire Department

Authorizing the acceptance of a \$936,171.27 grant from the United States Department of Homeland Security AFG program, and including a City match of \$93,617.13, or ten percent of the Federal contribution bringing the total cost of Federal and Non-federal funding to \$1,029,788.40; and estimating revenue and appropriating \$936,171.27 to the Assistance to Firefighters Grant (AFG) account in the General Grants Fund

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Fire Chief is hereby authorized to accept a grant from the United States Department of Homeland Security Assistance to Firefighters Grant (AFG) program in the amount of \$936,171.27 for the purchase of 28 Thermal Imaging Cameras, 20 Digital vehicle Repeater Systems, 59 Motorola Remote Mount Mobile Radios, 51 Motorola Control Stations. A copy of the grant award agreement in substantial form is on file with the Office of the Fire Chief.

Section. 2. That revenue in the following account of the General Grant Fund is hereby estimated in the following amount:

24-2580-230001-478396-G232021FG01975	Fire Grant Revenue	\$936,171.27
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Section 3. That the sum of \$936,171.27 is hereby appropriated from the Unappropriated Fund Balance of the General Grant Fund in the following account of the General Grant Fund:

24-2580-235006-E-G232021FG01975	Assist to Firefighters (AFG)	\$936,171.27
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Section 4. That the Fire Chief is authorized to expend \$93,617.13 already appropriated in Fiscal Year 2023-24 budget Account No. 24-2301-231410-E, to satisfy the City's match of \$93,617.13 per the awarded AFG.

Section 5. That the Fire Chief is hereby designated as requisitioning authority for Account No. 24-2580-235006 and is authorized to expend the sum of \$936,171.27 from funds heretofore appropriated to the account.

..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.

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Tammy L. Queen  
Director of Finance

Approved as to form:

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Alan L. Holtkamp  
Senior Associate City Attorney



# City of Kansas City, Missouri

## Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Fire

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 acceptance of a \$936,171.27 grant from the United States Department of Homeland Security AFG program, and including a City match of \$93,617.13, or ten percent of the Federal contribution bringing the total cost of Federal and Non-federal funding to \$1,029,788.40; estimating revenue in the amount of \$93,617.13 in the General Grants Fund; appropriating \$936,171.27 to the Assistance to Firefighters Grant (AFG) account in the General Grants Fund; designating requisitioning authority; and recognizing this ordinance as having an accelerated effective date.

### Discussion

This Grant will assist the Fire Department in the purchase of 28 thermal imaging cameras with an increased screen size, along with real time digital processing. These cameras will replace the current cameras that have reached their end of lifecycle. The purchase of 44 Motorola remote mount mobile radios containing multiple talk group capabilities, multi-key encryption capabilities, multiple system capabilities and interfaces to DVRS. These radios will be required for incoming pumpers and ambulances plus reserve apparatus used daily in our current system. These will replace obsolete and discontinued model acquired in 2010 in which support ended in 2016. 55 Motorola control stations with compatible trunking system containing multiple talk group capabilities, encryption capabilities, desk mic, and multiple audio outputs for multiple speaker systems. These control stations are located in all fire stations, battalion chief offices, and fixed facilities (e.g., headquarters, logistics center, fire academy) and will replace current obsolete and discontinued Harris M7100 control stations that were purchased in 1999 in which support ended in 2012. 15 Motorola remote mount mobile radios containing multiple talk group capabilities, multi-key encryption capabilities, multiple system capabilities, and includes all programming and installation. The radios will be installed with handheld control head or a standard control head depending on assignment. Required for 15 field battalion chief and EMS field supervisor vehicles, replacing obsolete and discontinued model with limited functionality purchased in 2010 in which support ended in 2016.

### Fiscal Impact

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

2. What is the funding source?

Fire Sales Tax – Capital (2301)- City match. General Grants Fund (2580)



# City of Kansas City, Missouri

## Docket Memo

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

This will assist in reducing the cost that was estimated as a full expenditure within FY 2024 Fire Sales Tax - Capital

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?

Grant revenue will be received in the amount of \$936,171.27 from the Department of Homeland Security AFG program.

### 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)

Click or tap here to enter text.

### Citywide Business Plan (CWBP) Impact

View the [FY23 Citywide Business Plan](#)

Which CWBP goal is most impacted by this legislation?

Public Safety (Press tab after selecting.)

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

- Reduce violent crime among all age groups, placing an emphasis on young offenders
- Evaluate and identify areas of opportunity in the emergency response delivery system to ensure the best possible patient outcome
- Improve the diversity of employee recruitment, succession planning, and retention in the Police and Fire Departments



# City of Kansas City, Missouri

## Docket Memo

- Increase effectiveness and efficiencies of operations at Municipal Court and work to achieve the best possible outcomes for those served
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### Prior Legislation

N/A

### Service Level Impacts

Provide the departments essential equipment needs to deploys personnel and equipment to fires, sudden medical emergencies, and other dangerous situations so that loss of life and property is minimized.

### Other Impacts

1. What will be the potential health impacts to any affected groups?  
The health impact would be to all citizens and visitors of the Metropolitan Kansas City area.
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 health and wellbeing of all citizens and visitors of the Metropolitan Kansas City area.
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





**File #: 230408**

ORDINANCE NO. 230408

Sponsor: Director of the Fire Department

Authorizing the acceptance of a \$9,523.80 grant from the United States Department of Homeland Security Fire Prevention and Safety (FPS) Grant Program, and including a City match of \$476.20, or five percent of the Federal contribution bringing the total cost of Federal and Non-federal funding to \$10,000.00; estimating revenue in the amount of \$9,523.80 in the General Grants Fund; and appropriating \$9,523.80 to the Fire Prevention and Safety (FPS) Grant Program account in the General Grants Fund.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Fire Chief is hereby authorized to accept a grant from the United States Department of Homeland Security Fire Prevention and Safety Grant Program in the amount of \$9,523.80 for the purchase of a dashboard software to articulate with current KCFD database, as well as databases from City Planning, Neighborhoods, etc. A copy of the grant award agreement in substantial form is on file with the Office of the Fire Chief.

Section. 2. That revenue in the following account of the General Grant Fund is hereby estimated in the following amount:

24-2580-230001-474630-G232021FP00572	Federal Grant Revenue	\$9,523.80
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Section 3. That the sum of \$9,523.80 is hereby appropriated from the Unappropriated Fund Balance of the General Grant Fund in the following account of the General Grant Fund:

24-2580-235011-E-G232021FP00572	Fire Prevention & Safety (FPS)	\$9,523.80
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Section 4. That the Fire Chief is authorized to expend \$476.20 already appropriated in Fiscal Year 2023-24 budget Account No. 24-2300-231440-B, to satisfy the City’s match of \$476.20 per the awarded Fire Prevention and Safety Grant Program.

Section 5. That the Fire Chief is hereby designated as requisitioning authority for Account No. 24-2580-235011 and is authorized to expend the sum of \$9,523.80 from fund heretofore appropriated to the account.

..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.

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Tammy L. Queen  
Director of Finance

Approved as to form:

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Alan L. Holtkamp  
Senior Associate City Attorney



# 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

Authorizing the acceptance of a \$9,523.80 grant from the United States Department of Homeland Security Fire Prevention and Safety (FPS) Grant Program, and including a City match of \$476.20, or five percent of the Federal contribution bringing the total cost of Federal and Non-federal funding to \$10,000.00; estimating revenue in the amount of \$9,523.80 in the General Grants Fund; appropriating \$9,523.80 to the Fire Prevention and Safety (FPS) Grant Program account in the General Grants Fund.

### Discussion

A Dashboard software to articulate with KCFD databases including CAD, RMS, NFIRS, as well as databases from City Planning, Neighborhoods, etc.

### Fiscal Impact

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

2. What is the funding source?

Fire Sales Tax (2300)- City match. General Grants Fund (2580)- Grant

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

This will assist in reducing the cost that was estimated as a full expenditure within FY 2024 Fire Sales Tax

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?



# City of Kansas City, Missouri

## Docket Memo

This legislation will receive \$10,000 in revenue through a grant from the United State Department of Homeland Security Fire Prevention and Safety Grant Program, and a City match.

### 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)

Click or tap here to enter text.

### Citywide Business Plan (CWBP) Impact

View the [FY23 Citywide Business Plan](#)

Which CWBP goal is most impacted by this legislation?

Public Safety (Press tab after selecting.)

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

- Reduce violent crime among all age groups, placing an emphasis on young offenders
- Evaluate and identify areas of opportunity in the emergency response delivery system to ensure the best possible patient outcome
- Improve the diversity of employee recruitment, succession planning, and retention in the Police and Fire Departments
- Increase effectiveness and efficiencies of operations at Municipal Court and work to achieve the best possible outcomes for those served
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### Prior Legislation

N/A

### Service Level Impacts



# City of Kansas City, Missouri

## Docket Memo

Provide the departments essential equipment needs to deploys personnel and equipment to fires, sudden medical emergencies, and other dangerous situations so that loss of life and property is minimized.

### Other Impacts

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

The impact would be to all citizens and visitors of the Metropolitan Kansas City area.

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 health and wellbeing of all citizens and visitors of the Metropolitan Kansas City area.

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





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**File #:** 230409

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ORDINANCE NO. 230409

*Sponsor: Director of the Law Department*

*Authorizing the City Attorney to negotiate and execute a specialized Legal Services Contract with a joint team, consisting of the law firms Williams Dirks Dameron LLC and the Hardwick Law Firm, LLC, a City certified MBE, for the provision of legal services related to the failure of Hyundai and KIA to include anti-theft technology in certain models of their vehicles; and waiving the contract solicitation and award provisions.*

*WHEREAS, Hyundai and KIA have failed to include anti-theft technology in certain models of their vehicles; and*

*WHEREAS, certain Hyundai and KIA vehicles do not have immobilizers, which stop the vehicles from starting if the driver does not have the right key; and*

*WHEREAS, the Hyundai and KIA vehicle thefts have focused on vehicles with steel keys and turn-to-start ignition systems; and*

*WHEREAS, the lack of immobilizers has made the Hyundai and KIA vehicles easier to steal and the City less safe; and*

*WHEREAS, the City needs specialized outside Counsel to investigate and work with City personnel to determine the costs that City has incurred as a result of the companies' failure to include the anti-theft technology in its vehicles, and if appropriate bring an action against manufacturers and distributors of Hyundai and KIA; and*

*WHEREAS, Williams Dirks Dameron LLC and the Hardwick Law Firm, LLC, a City certified MBE (collectively, the "Firm"), specialize in representing public entities in both class action suits and complex litigation; and*

*WHEREAS, Williams Dirks Dameron LLC is currently representing the City in the *In re National Opioids Litigation*, 17-ND-2804, and *City of Kansas City, Missouri v. Jimenez*, 2016-CV00829 (the firearms litigation); and*

*WHEREAS, for the last eight months, the Firm has been studying and monitoring Hyundai's and KIA's failure to include anti-theft technology in certain models of vehicles and the resulting damage to public entities; and*

*WHEREAS, the City will not advance any funds, as any contract for legal services will contain a standard contingency fee arrangement with all legal fees and expenses subtracted from any future settlement or damage recovery; and*

*WHEREAS, Section 3-35(b)(5), Code of Ordinances, provides that if the Council finds that it is "in the best interests of the city", the Council may waive the contract solicitation and award provisions otherwise set out in the Code of Ordinances; NOW, THEREFORE,*

*BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:*

*Section 1. That the City Attorney is hereby authorized to negotiate and execute a legal services contract and any contract amendments on a contingency-fee basis with the joint team, consisting of the law firms Williams Dirks Dameron LLC and the Hardwick Law Firm, LLC, for the provision of legal services relating to the failure of Hyundai and KIA to include anti-theft technology in certain models of their vehicles.*

*Section 2. That the City Council hereby finds that due to the specialized and highly technical nature of the legal services needed for representing public entities in both class action suits and complex litigation, it is in the best interests of the City to waive the contract solicitation and award provisions pursuant to Section 3-35(b)(5), of the City's Code of Ordinances.*

..end

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Approved as to form:

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Jim Brady  
Senior Associate City Attorney



# 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

Authorizing the City Attorney to negotiate and execute a specialized Legal Services Contract with a joint team, consisting of the law firms Williams Dirks Dameron LLC and the Hardwick Law Firm, LLC, a City certified MBE, for the provision of legal services related to the failure of Hyundai and KIA to include anti-theft technology in certain models of their vehicles. The Ordinance waives the contract solicitation and award provisions. This contract is a contingency fee arrangement and any fees will be paid out of any monetary recovery (after expenses). This ordinance does not encumber or appropriate funds.

### Discussion

Hyundai and KIA have failed to include anti-theft technology in certain models of their vehicles. The lack of immobilizers has made the Hyundai and KIA vehicles easier to steal and the City less safe. The City needs specialized outside Counsel to investigate and work with City personnel to determine the costs that City has incurred as a result of the companies' failure to include the anti-theft technology in its vehicles, and if appropriate bring an action against manufacturers and distributors of Hyundai and KIA.

Williams Dirks Dameron LLC and the Hardwick Law Firm, LLC, a City certified MBE (collectively, the "Firm"), specialize in representing public entities in both class action suits and complex litigation and Williams Dirks Dameron LLC is currently representing the City in the *In re National Opioids Litigation*, 17-ND-2804, and *City of Kansas City, Missouri v. Jimenez*, 2016-CV00829 (the firearms litigation). For the last eight months, the Firm has been studying and monitoring Hyundai's and KIA's failure to include anti-theft technology in certain models of vehicles and the resulting damage to public entities.

The City will not advance any funds, as any contract for legal services will contain a standard contingency fee arrangement with all legal fees and expenses subtracted from any future settlement or damage recovery. Section 3-35(b)(5), Code of Ordinances, provides that if the Council finds that it is "in the best interests of the city", the Council may waive contract solicitation and award provisions otherwise set out in the Code of Ordinances.



# City of Kansas City, Missouri

## Docket Memo

### Fiscal Impact

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

2. What is the funding source?

Not applicable

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

It does not.

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

Not applicable

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

Potentially

### 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)

Click or tap here to enter text.

### Citywide Business Plan (CWBP) Impact

View the [FY23 Citywide Business Plan](#)

Which CWBP goal is most impacted by this legislation?

Public Safety (Press tab after selecting.)

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



# City of Kansas City, Missouri

## Docket Memo

- Reduce violent crime among all age groups, placing an emphasis on young offenders
- Evaluate and identify areas of opportunity in the emergency response delivery system to ensure the best possible patient outcome
- Improve the diversity of employee recruitment, succession planning, and retention in the Police and Fire Departments
- Increase effectiveness and efficiencies of operations at Municipal Court and work to achieve the best possible outcomes for those served
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### Prior Legislation

None.

### Service Level Impacts

This will enable to the Law Department to focus its litigation team on other matters.

### Other Impacts

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

Not applicable

2. How have those groups been engaged and involved in the development of this ordinance?

Not necessary.

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")?

Yes, all CREO requirements are in the contract draft.

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")?

The MWBE goals are 0%MBE and 0%WBE per the CREO annual goals manual.



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**File #: 230157**

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ORDINANCE NO. 230157

Sponsor: Mayor Quinton Lucas

Amending Chapter 2, Code of Ordinances, by repealing Section 2-1954 relating to the City's fund balance and reserve policy and enacting in lieu thereof one new section of like number and subject to modify the required funding floor and ceiling, respectively, of the emergency reserve funds and countercyclical reserve funds of the general fund and amending permissible uses for unassigned general fund balance.

WHEREAS, the City has a thorough annual budget process, including quarterly budget analysis, and five-year business planning cycle during which Council, City staff, and residents have the opportunity to shape how the City spends taxpayer resources; and

WHEREAS, the City currently has a structural imbalance driven by expenditure growth exceeding revenue growth in the General Fund; and

WHEREAS, the City Council desires to maintain a prudent level of financial reserves to guard its citizens against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures, such as those seen in 2020 and 2021; and

WHEREAS, maintaining a strong fund balance can be critical in weathering an economic downturn, emergency capital repairs, or volatile revenue or unexpected expenditure; and

WHEREAS, fund balance is a focal point of credit rating agencies and investors; when governments maintain more fund balance, they are viewed more favorably and can achieve lower borrowing costs; and

WHEREAS, the Government Finance Officers Association (GFOA) recommends, at a minimum, no less than two months of regular general fund operating revenues or regular general fund operating expenditures for reserves; and

WHEREAS, the Moody's Investors Service recommends a fund balance between fifteen (15) percent and thirty (30) percent of revenues (or 16.67%); and

WHEREAS, credit rating agencies generally regularly assign thirty (30) percent of credit rating methodology to the financial performance of a municipality which includes the amount within the fund balance; and

WHEREAS, the City Council desires to promulgate a fiscally prudent emergency reserve, countercyclical reserve fund, and unassigned general fund balances exceeding the minimum standards directed by GFOA and credit rating agencies to ensure the City's ongoing ability to meet future fiscal challenges; NOW, THEREFORE,

**BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:**

Section 1. That Chapter 2, Code of Ordinances of the City of Kansas City, Missouri, is hereby amended by repealing Section 2-1954 relating to the City's fund balance and reserve policy and enacting in lieu thereof one new section of like number and subject, to read as follows:

**Sec. 2-1954. Fund balance and reserve policy.**

(a) *Policy.*

- (1) It is the policy of the city to maintain its various fund balances and financial reserves at levels sufficient to pay obligations when due, address emergencies, cover temporary revenue shortfalls, provide stability throughout economic cycles and to protect the city's creditworthiness in accordance with applicable federal, state and local laws, and established best governmental practices.
- (2) The city's fund balance and reserve policy is the city's official guideline for use by city staff in conjunction with the city's budgeting and financial planning efforts. The policy shall be reviewed on an annual basis by the director of finance and any modifications made thereto must be approved by the city council.

(b) *Authority.* Under the authority granted by the state Constitution and the city Charter, the city council is authorized to direct the financial affairs of the city. It is the city council's intent to responsibly use this authority in order to fulfill the service objectives of the city and its agencies. Management responsibility for the city's fund balances is hereby delegated to the director of finance.

(c) *Scope.* This fund balance and reserve policy shall be inclusive of all funds of the city. The policy incorporates recommended best practices of the Government Finance Officers Association (GFOA) and Governmental Accounting Standards Board (GASB), as amended over time.

(d) *Objectives.*

- (1) To establish appropriate fund balance and/or reserve levels for each fund or fund type, after accounting for the "nonspendable" portions of the respective funds.
- (2) To set guidelines for each fund or fund type's fund balance and/or reserve levels.
- (3) To determine procedures for replenishment of fund balances or reserves if drawn below recommended levels, if necessary.
- (4) To establish financial reporting guidelines for amounts designated as fund balances and/or reserves.

(e) *Glossary.*

- (1) *Assigned fund balance.* Amounts that are constrained by the city's intent to be used for specific purposes but are neither restricted nor committed will be classified as "Assigned" fund balance. The intent will be identified by a city official to whom the governing body has delegated the authority to assign amounts for specific purposes.
  - (2) *Committed fund balance.* Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the city council will be classified as "Committed" fund balance.
  - (3) *Nonspendable fund balance.* Amounts that cannot be spent because they are not in spendable form (e.g. inventories, receivables, advances, etc.) or are legally and/or contractually required to be maintained intact will be classified as "Nonspendable" fund balance.
  - (4) *Restricted fund balance.* Amounts that are bound by externally imposed restrictions by creditors, grantors, contributors, laws or regulations of other governments or through constitutional provisions or enabling legislation will be classified as "Restricted" fund balance.
  - (5) *Unassigned fund balance.* Represents the remaining amount of fund balance which has not been classified as non-spendable, restricted, committed or assigned.
- (f) *Guidelines.*
- (1) *General fund.* The general fund is the main operating fund of the city and accounts for all financial transactions not accounted for in other funds. The general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are financed through revenues received by the general fund.
    - a. *Committed general fund balance.* The committed general fund balance will include the following amounts:
      1. Encumbrances. Those encumbrances imposed by ordinance of the city council.
      2. Re-appropriations of unexpended and unencumbered appropriations and the re-estimation of uncollected revenues as authorized by ordinance of the city council.
      3. Emergency reserve (floor). The emergency reserve portion of committed fund balance shall not be less than two months of general fund operating expenditures.

4. The emergency reserve is available to address one-time operational emergencies, unexpected revenue reductions and/or unanticipated expenditure requirements occurring within a fiscal year. Funds may be withdrawn from this emergency reserve when an emergency has been recognized by ordinance prior to fiscal year end, the fund's budgeted contingency is exhausted, the countercyclical reserve has been exhausted, and the withdrawal is needed to prevent the fund from ending the fiscal year with a negative unassigned fund balance. An ordinance appropriating funds from the emergency reserve shall include language stating the city council is waiving the fund balance and reserve policy for a use of the emergency reserve.
- b. *Assigned general fund balance.* The assigned fund balance will include the following amounts:
1. *Encumbrances.* Those encumbrances authorized by department directors or the manager of procurement services.
  2. *Countercyclical reserve (ceiling).* The countercyclical reserve, when combined with the emergency reserve, shall not be greater than three months of general fund operating expenditures.
    - (i) The countercyclical reserve may be established by the director of finance in the maximum amount described above for varying purposes including, but not limited to: reserves for tax increment financing, debt service stabilization, interest rate risk, capital maintenance, swap termination payments, legal claims, and disaster recovery.
    - (ii) The director of finance may authorize the use of the countercyclical reserve when the withdrawal is needed to prevent the fund from ending the fiscal year with a negative unassigned fund balance.
  3. *Unassigned general fund balance.* Any amount in excess of the non-spendable, restricted, committed and assigned portions of fund balance is by definition unassigned general fund balance. If necessary, all or a portion of unassigned fund balance may only be appropriated in the following fiscal year's budget or in connection with the quarterly budget analysis process pursuant to Section 2-1956 of the Code of Ordinances of Kansas City, Missouri unless there is a commensurate revenue increase or decrease in another general fund obligation or a state of emergency is declared pursuant to Section 50-155 of the Code of Ordinances of the City

of Kansas City, Missouri. Uses of unassigned general fund balance are limited to the following:

- (i) Prepayment of principal and interest on city debt or contributions designed to reduce long-term liabilities (e.g. pension);
- (ii) Offsets to temporary revenue reductions from local, state, and federal sources;
- (iii) One-time expenditures that do not increase recurring operating costs;
- (iv) Establishment of or increase in assigned reserves; or
- (v) Start-up expenditures for new programs provided there is an identified source of new funding for future costs of the program.

4. *General fund balance replenishment.* Once the emergency reserve has initially been fully funded, if the emergency reserve should fall below its floor, the director of finance or budget officer will prepare and present to the city council a plan to replenish the emergency reserve. The city council must approve and adopt a plan within 12 months after the emergency reserve first falls below its floor, which establishes a time frame to restore the reserve to, at minimum, its floor level.

(2) *Proprietary funds.* Each proprietary fund shall strive to maintain an unassigned fund balance equal to, at minimum, two months' worth of operating costs, as defined in the respective bond ordinances for that fund. For the purposes of this calculation, the current fiscal year budget shall be the budget as originally adopted by ordinance in March for the subsequent fiscal year. This reservation of fund balance shall be in addition to all other required reservations including, but not limited to, amounts reserved for debt service and/or amounts reserved for renewal and replacement of long lived assets.

a. *Water fund.* The water fund accounts for activities of the city's water distribution system. Revenues are derived mainly from water service and installation charges.

b. *Kansas City airports fund.* The Kansas City airports fund accounts for the operations of the city's two airports: Kansas City International Airport (KCI) and the Charles B. Wheeler Downtown Airport. Revenues are derived principally from hangar and terminal building rental, landing fees, and parking.

- c. *Sewer fund.* The sewer fund accounts for the activities of the wastewater collection and treatment system. Revenues are derived primarily from sewer users' service charges and fees.
  - d. *Enterprise funds.* These funds account for the proceeds from a special facility bond issue and the related lease agreement for the aircraft maintenance and overhaul base located at the Kansas City International Airport.
- (3) *Special revenue funds.* Special revenue funds are used to account for the proceeds of specific revenue sources (other than certain capital projects and expendable trusts) that are legally restricted to expenditure for specified purposes. No specific reservation of fund balance is created by virtue of enactment of this policy. The amount of any reservation of fund balance shall be governed by the legal authority underlying the creation of the individual funds.
- (4) *Capital projects funds.* The capital projects funds account for resources used for the acquisition of capital facilities, except those financed by the proprietary funds and those budgeted in the general or special revenue funds, when resources are derived exclusively from the direct revenues for the fund and do not involve long-term borrowing. The city council, by ordinance, may elect to commit or assign a portion of its capital projects funds' balances to a general project contingency, capital maintenance or replacement reserve. All remaining restricted fund balance in the capital projects funds will be re-appropriated in the following year for eligible construction and renovation projects. No specific reserve requirements are established for capital projects funds; however, at a minimum, the fiscal year end unreserved fund balance, and estimated revenues for the ensuing fiscal year must be sufficient to meet all outstanding fund encumbrances.
- (5) *Debt service funds.* The debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The city shall maintain sufficient reserves in its debt service funds, which shall equal or exceed the requirements dictated by its bond ordinances. Funds restricted for debt service are monies held as required by a bond indenture or similar agreement and maintained either by the city or by a trustee. Any assignment of fund balance within the debt service funds represents the city's efforts to cover specific risks associated with business interruption, interest rates, swap termination, counterparties and difference in basis.
- (6) *Claims and workers compensation funds.* The claims and workers compensation funds are used to cover general liability claims, automobile liability, fire, and extended coverage on city vehicles, public official liability claims, and workers' compensation claims on both police department and city employees. The city shall seek to build and maintain reserves in its claims and workers compensation

funds in amounts equivalent to at least one times annual projected claims exposure.

- (7) *Waiving recommended levels.* The city council may waive, by ordinance, the requirement to maintain reserves at the recommended levels if it finds that it is in the best interests of the city.

(g) *Financial reporting.* In the city's fund financial statements, governmental and proprietary funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Encumbrances outstanding at year end are reported as commitments or assignments of fund balances because they do not constitute expenditures or liabilities. Such encumbrances serve as authorizations for expenditures in the subsequent year. Commitments of fund balances represent tentative plans for future use of financial resources that are subject to change.

(h) *Allocations outside annual budget process.* Except in the case of a state of emergency, declared pursuant to Section 50-155 of the Code of Ordinances of the City of Kansas City, Missouri, allocations from the Unappropriated General Fund Balance outside of the annual budget process or quarterly budget analysis process as defined in Section 2-1956 of the Code of Ordinances shall only be made if the allocation is accompanied by a commensurate increase in revenue or a decrease in another General Fund obligation.

..end

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Approved as to form:

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Matthew Gigliotti  
City Attorney



# City of Kansas City, Missouri

## Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Mayor/Council's Office

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 relating to the City's fund balance and reserve policy and enacting in lieu thereof one new section of like number and subject to modify the required funding floor and ceiling, respectively, of the emergency reserve funds and countercyclical rserve funds of the general fund and amending permissible uses for unassigned general fund balance

### Discussion

A strong fund balance is critical to weathering 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 Finance Officers Association (GFOA) recommends a reserve of at least no less than tewo months' regular general fund operating expenditures for reserves; Moody's Investors Service recommends a fund balance between 15% and 30% of revenues.

The City's current fund balance and reserve policy requires a reserve of at least two months of regular operating expenditures in the General Fund. The City also currently has a structural imbalance in the general fund due to expenditure growth exceeding revenue growth. This legislation seeks to establish a fiscally prudent emergency reserve in excess of the minimum standards directed by GFOA and credit rating agencies in an effort to meet future fiscal challenges.

### Fiscal Impact

- 1. Is this legislation included in the adopted budget?  Yes  No
- 2. What is the funding source?  
General Fund
- 3. How does the legislation affect the current fiscal year?  
This legislation would require a minimum fund balance of three months' of operating expenses for the General Fund.
- 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 legislation has a fiscal impact in future fiscal year. The table below uses data from the baseline scenario of the Five Year Financial Plan and the FY24 Submitted Budget to illustrate the difference in fund balance under a policy of two months' operative expenses versus three months'.

	FY24	FY25	FY26	FY27	FY28
Two mos. fund balance <i>(current policy)</i>	\$101,745,140	\$105,158,818	\$109,173,945	\$113,138,495	\$117,258,981
Three mos. fund balance <i>(proposed policy)</i>	\$152,617,405	\$157,737,912	\$163,760,590	\$169,707,403	\$175,888,120

The City is currently projected to draw down its fund balance below the two month threshold beginning in FY26. Under a policy of three months' reserves, the City would be below that threshold beginning in FY25. This speeds up the timetable for consideration of potential programmatic cuts to meet the required fund balance.

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

No.

### Office of Management and Budget Review

(OMB Staff will complete this section.)

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

### Additional Discussion (if needed)

#### 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



# City of Kansas City, Missouri

## Docket Memo

- Engage in workforce planning including employee recruitment, development, retention, and engagement
- Ensure a responsive, representative, engaged, and transparent City government

### Prior Legislation

[Click or tap here to list prior related ordinances/resolutions.](#)

### Service Level Impacts

An increase to the required minimum fund balance of the General Fund will result in future programmatic cuts to meet that requirement, affecting the level of service 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 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