City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 250593
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 Manager of Procurement to enter into a one-year contract renewal 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, 2025, to perform audit services, as requested, and to perform audit and tax services for various component units; authorizing expenditures up to $615,425.00; authorizing up to three one-year renewals without further Council approval, subject to annual appropriation; reducing the contingent appropriation in the amount of $1,000.00 and appropriating the same; 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. Council authorized contract EV3281 with Allen, Gibbs, & Houlik, L.C., by adopting Ordinance 240552 on July 18, 2024, and this is for the one-year renewal of the same contract, along with authorization to execute three additional one-year renewals under the same contract without obtaining additional Council approval, subject to annual appropriations. The Civil Rights & Equal Opportunity Department (CREO) established goals for this contract is 20% MBE and 0% WBE. For the FY2024 audit, the firm achieved the goals with MBE of 20% and WBE of 2.17%.

The following audits will be performed on an annual basis during the term of this contract:

Scope	FY2025 Pricing
City-wide Annual Comprehensive Financial Report	309,000.00

Water Fund	42,230.00
Sewer Fund w/Storm Water Supplement	42,230.00
Kansas City Airports Fund	88,580.00
Employees' Retirement System	25,750.00
Firefighters' Pension System	19,055.00
OMB Uniform Guidance	63,345.00
Component Units	
Economic Development Corporation	25,235.00
EDC Loan Corporation	25,235.00
Tax Increment Financing Commission	18,025.00
Land Clearancer for Redevelopment Authority	10,300.00
EDC Strategic Initiatives	18,025.00
Maintenance Reserve Corporation	3,605.00
Downtown Economic Stimulus Authority	7,467.50
American Jazz Museum	15,965.00
Health Levy Safety Net Providers	21,630.00
KC International CID	*Included w/Airport*
KCMO Land Bank	*Included w/City*
KCMO Homeseading Authority	*Included w/City*

Fiscal Impact

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

2. What is the funding source?

26-1000-129100-B	General Fund - Independent Audit	$417,150.00
26-2330-512131-B	Health Fund - Safety Net Providers	$21,630.00
26-1000-129110-B	General Fund - Independent Audit – Component Units	$3,605.00

26-8010-809100-B	Water Fund - Independent Audit	$42,230.00
26-8110-809100-B	Sewer Fund - Independent Audit	$42,230.00
26-8300-629100-B	Aviation Fund - Independent Audit	$88,580.00
	TOTAL	$615,425.00

3. How does the legislation affect the current fiscal year?
   Appropriations for this contract were included in the current fiscal year adopted budget.

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 the second year of a five (5) year contract that includes three additional options for renewal at the City's discretion. A 3% annual price increase is authorized for each year renewed by the City. Future expenditures are subject to annual appropriation.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
   The cost of the component unit audits are paid directly by the individual component units to the audit firm.

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)
The beginning balance of Contingent Appropriations for FY 2025-26 is $7,906,729. Contingent Appropriations represent 1% of total General Fund revenue, and are intended to be reserved for emergency expenses. The current balance of Contingent Appropriation is $7,906,729 as of 7/10/2025. The impact of Contingent Appropriation legislation that has been docketed but not passed is $1,000,000 of Ordinance 250529 and this ordinance of $1,000.00.

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 240552, adopted July 14, 2024.

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)?
   No(Press tab after selecting)