



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 260314

Submitted Department/Preparer: Finance

Revised 01/30/25

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

Estimating revenue and adjusting appropriations in various funds in connection with the third quarter FY2025-26 budget analysis that represents the best professional judgment of the Finance Director in a bill brought pursuant to Charter Section 501, resulting from Code section 2-1956, and consistent with the Manager's duty under Charter section 220(a)(3), ultimately presenting the policy determination to the elected body who can speak through appropriation and recognizing this ordinance as having an accelerated effective date.

Discussion

This is the annual third quarter clean-up ordinance to address anomalies in connection with the second quarter budget analysis of FY2025-2026.

Section 1.

This section appropriates \$3,272,725 from the Unappropriated Fund Balance of the General Fund (1000): \$269,701 for the transfer to the Economic Development Fund to balance the fund, \$563,560 for the transfer to the Street Maintenance Fund (2060) due to projected higher earnings tax collections, \$451,321 for the transfer to the KCATA Sales Tax Fund, \$103,793 for the transfer to the Specialty Court Fund as the fund requires a supplemental appropriation, \$2,600 for the transfer to the Downtown Redevelopment District Fund, \$129,755.00 for the transfer to the Solid Waste Working Capital Fund (7140), \$350,085 appropriated for Municipal Court personal services, \$400,000 appropriated for Tow Lot services, \$1,007,580 appropriated for residential refuse collection.

Section 2.

This section increases the revenue estimate in the Solid Waste Working Capital Fund (7140) related to the transfer from the General Fund (1000) as the fund requires supplement.

Section 3.

This section increases the revenue estimates in the General Fund (1000) by \$7,514,140.00 for Earnings Tax and by \$4,190,733.00 for Local Use Tax due to projected higher than budgeted collections. \$400,000 increased revenue estimate for tow lot service charges and sale of vehicles to support the appropriation in Section 1. This section also increases the revenue estimate for the transfer from the PILOTs (6830) fund by \$42,600.00.

Section 4.

This section reduces the appropriations in the General Fund (1000) by \$3,370,441 related to the transfers to the Convention and Tourism Fund (2360), Convention Hotel Catering Fund (2361), PILOTs Fund (6830), and the Health Care and Wellness Fund (6640) due to the funds requiring less supplement.

Section 5.

This section increases the revenue estimate in the Payments in Lieu of Taxes Fund (6830) by \$35,700.00 for the transfer from the General Fund (1000).

Section 6-14.

These sections appropriate \$519,500 in the PILOTs Fund (6830) for transfers to The General Fund, Museum Fund, Health Fund, Housing Trust Fund, Shared Success Fund, and the General Debt and Interest Fund, and reduces the appropriation for the transfer to the KC Downtown Redevelopment District Fund by \$2,600.00. The revenue estimates increase in the Museum Fund (2020), Health Fund (2330), Housing Trust Fund (2490), Shared Success Fund (2590), General Debt and Interest Fund (5010) and decreases the revenue estimate in the KC Downtown Redevelopment District Fund (5320) in a corresponding amount. Increases the revenue estimate in the transfer from the General Fund to the KC Downtown Redevelopment District Fund to balance the fund after the reduced transfer from the PILOTs Fund.

Section 15.

This section increases the revenue estimate in the Payments in Lieu of Taxes Fund (6830) by \$760,900.00, \$177,400.00 related to the Hotel/Motel Contra, \$480,500.00 related to the Sales Tax Contra, and \$103,000 related to Payments in Lieu of Taxes.

Section 16-17.

These sections estimate \$103,793.00 in the Specialty Court Fund (2763) related to the Section 1 appropriation from the General Fund as the fund requires additional supplement and appropriates \$54,685.00 for personal services due to a projected deficit in spending.

Section 18-25.

These sections adjust the revenue estimates in the sales tax funds due to lower anticipated sales tax collections and higher than budgeted TIF redirections per section above.

- (\$544,291) - Parks
- (\$496,332) - Public Mass Transportation
- (\$121,537) - Central City Economic Development
- (\$429,735) - KCATA
- (\$316,232) - Fire
- (\$266,254) - Fire Capital
- (\$482,039) - Public Safety
- (\$1,493,002) - Capital

Section 26.

This section reduces the appropriations in the Public Mass Transportation Fund (2080) by \$496,332 to balance the fund after the reduced revenue estimate for sales tax collections.

Section 27.

This section increases the revenue estimate in the KCATA Sales Tax Fund (2290) by \$451,321 related to the transfer to the General Fund (1000) per Section 1 to account for the reduced revenue estimates for sales tax and will satisfy the agreement with KCATA.

Section 28.

This section reduces the appropriations in the Fire Sales Tax Fund by \$95,938 for motor vehicle fuel to balance the fund after the reduced revenue estimate for sales tax collections.

Section 29-30.

These sections reduce the appropriation in the Public Safety Sales Tax Fund (2320) by \$1.3 million for the transfer to the General Debt and Interest Fund as the total transfer is not necessary and reduce the revenue estimate in the General Debt and Interest Fund (5010) by the same amount.

Section 31.

This section increases the revenue estimate in the Street Maintenance Fund (2060) as the transfer from the General Fund is projected to be higher due to increase in earnings tax collections.

Section 32-33.

These sections reduce the revenue estimate in the Economic Development Fund (2215) by \$1,730,299.00 for the transfer from the General Fund (1000) and increase

the revenue estimate \$2.0 million for the transfer from the Development Services Fund (2210).

Section 34-35.

These sections appropriate \$293,565.00 from the Parks Sales Tax Fund (2030) for the transfer to the Parks Reimbursable Fund (7130) and increase the revenue estimate in the Parks Reimbursable Fund due to the fund requiring supplement.

Section 36.

This section reduces revenue estimates in the Convention and Tourism Fund (2360) by a sum of \$3,607,757.00 including: \$1,496,000.00 related to Hotel/Motel Tax Increment Financing redirections, \$535,930.00 reduced transfer from the Convention Hotel Catering Fund, \$816,001.00 due to lower projected Restaurant Tax collections, \$594,195.00 for the transfer from the General Fund, and \$165,631.00 due to lower projected Hotel/Motel Tax collections.

Section 37-38.

These sections reduce the appropriation in the Convention and Tourism Fund (2360) by \$816,001.00 for the transfer to the Convention and Sports Complex Fund (5370) and reduce the revenue estimate in the Convention and Sports Complex Fund (5370) related to the above revenue estimate decrease for lower Restaurant Tax collections. Additionally, the appropriation for the pass through to Visit KC is reduced pursuant to Ordinance 250950 and \$245,696 is reduced from Facility Maintenance wages to balance the fund considering the adjustments to revenues.

Section 39-42.

These sections related to the Convention Hotel Catering Fund (2361) reduce the appropriation for the Transfer to the Convention and Tourism Fund (2360) by \$535,930.00 due to the transfer no longer being contractually obligated, increases the revenue estimate by \$900,160.00 for Catering Fees due to higher than budgeted collections to date, reduces the revenue estimate for the transfer from the General Fund (1000) as the fund requires less supplement after removing the transfer to Convention and Tourism, and appropriates the sum of \$824,703.01 to satisfy the contractual obligations for catering services.

Section 43.

This section appropriates \$600,000.00 from the unappropriated fund balance of the Capital Improvements Sales Tax Fund (3090) to the District 4 PIAC Contingency pursuant to Ordinance No. 210514 requiring a repayment.

Section 44.

This section appropriates \$16,251.78 from the Unappropriated Fund Balance of the Downtown Arena Fund (5050) for the Visit KC pass through related to higher than budgeted Arena Car Rental revenue.

Section 45-46.

These sections estimate and appropriate \$17,750.47 in the Municipal Auditorium Maintenance User Fee Fund for Music Hall alarm and locks installation.

Section 47-50.

These sections adjust the Health Care Trust Fund (6640) to align revenue estimates and expenditures with projected actuals. Reductions in revenue estimates include \$258,480.00 for Retiree Contribution - Employee, \$3,274,951.00 for Retiree Contribution - Firefighter. Revenue estimate increases include \$8,732,959.00 for City Contribution, \$364,841.00 for Employee Contribution, and \$3,161,880.00 for the Contribution from the Health Care Association. \$9,394,399.00 is appropriated from the Unappropriated Fund Balance to the Health Care Trust Insurance Policy account, and the appropriations in the Health Care Trust - Claims account are reduced by \$3,078,175.00. The revenue estimates for the transfers in from the General Fund (1000), Water Fund (8010), Sewer Fund (8110), Stormwater Fund (8200), and the Aviation Fund (8300) are reduced to \$0 as the fund is not projected to need supplemental appropriations.

Section 51-54.

These sections reduce the appropriations for the transfers from the General Fund (1000), Water Fund (8010), Sewer Fund (8110), Stormwater Fund (8200), and the Aviation Fund (8300) related to the above revenue estimate decrease as the Health Care and Wellness Fund (6640) does not require a supplemental transfer.

Section 55.

This section appropriates the sum of \$4.7 million from the City Legal Expense Fund (7010) by \$225,000 for General Liability, \$4.2 million for Public Official Liability, and \$350,000 for Auto Liability claims anticipated expenses.

Section 56.

This section appropriates \$2,636,359.49 from the 2019 Airport Terminal Bond Fund (8560), Airport Improvement 2019B (8561), Airport Improvement 2019C Bond Fund (8562) IDA Series 2020A Airport Terminal Fund (8563), and IDA Series 2020B Airport Terminal Fund (8564) to fund KCI Capital Improvements.

Section 57-87.

These sections authorize the Director of Finance to roll forward unexpended and unencumbered balances in the listed funds.

Section 88-89.

These sections authorize the Director of Finance to roll forward all Grant funding and match revenues to expenditure.

Section 90.

This section establishes Fund 2495 – Parade Park Future Fund for the Parade Park redevelopment project.

Section 91-93.

These sections establish funds: 8025 – Water Grants Fund, 8125 – Sewer Grants Fund, and 8225 – Stormwater Grants Funds to ensure proper accounting of related Water Services Department grants.

Section 94.

This section authorizes the Director of Finance to close the books of the Clay Co COVID19 Fund (2581), Platte Co COVID19 Fund (2582), Cass Co COVID19 Fund (2583), Jackson Co Co COVID19 Fund (2584), and Inmate Canteen Fund (6980) to the General Fund (1000) as the funds are no longer utilized.

Section 95.

This section waives the fund balance and reserve policy for the use of the General Fund (1000).

Section 96.

This section contains the standard language recognizing the ordinance as having an accelerated effective date.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No
2. What is the funding source?
Various sources, see Discussion Section and Admin/Approp Sheet
3. How does the legislation affect the current fiscal year?
The legislation estimates revenues and adjusts appropriations in various funds for the remainder of Fiscal Year 2025-2026
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
This legislation rolls forward various appropriations for committed funding that has not been expended in the current year.
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 City Government is responsive, representative, engaged, and transparent; particularly when faced with unforeseen challenges.
 - ☐ Operate an efficient City government workforce through effective employee recruitment, development, retention, and engagement.
 - ☒ Present a realistic view of financial indicators for improved communications on impact to the City.
 - ☐
 - ☐
 - ☐

Prior Legislation

Ord. 250863; Ord. 251050

Service Level Impacts

This ordinance provides supplemental appropriations where necessary to ensure affected departments will have sufficient appropriations available through the end of the current fiscal year. The ordinance also proposes re-appropriating unexpended

and unencumbered funding to the next fiscal year related to on-going projects to ensure affected departments will be able to fulfill existing directives.

Staff Recommendation

Finance Department

Select One: ☒ Sponsored
☐ Directive: Res/Ord # [Click to enter Res/Ord. No.](#)

Select One: ☒ Recommend
☐ Do Not Recommend
☐ Not Applicable

This legislation makes administrative adjustments based on the best professional judgement of the Finance Director and pursuant to the City Manager's duties as outlined by Charter and Code.

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:

This ordinance does not seek to authorize an agreement for which CREO review is applicable

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)