

COMPARED VERSION
COMMITTEE SUBSTITUTE TO ORIGINAL RESOLUTION

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 210921

Updating the 2020-2024 Citywide Business Plan including City Goals, the Financial Strategic Plan, and the Balanced Scenario of the Five-Year Planning Model; and directing the City Manager to align departmental strategic plans and business plans to the Citywide Business Plan

WHEREAS, the City Council adopted Resolution No. 120879 on October 11, 2012, stating the Council's intent to adopt a long-term financial plan and to review and update it on an annual basis; and

WHEREAS, the City Council adopted Resolution No. 130025 adopting the City's strategic plan of priorities and performance indicators; and

WHEREAS, the residents of Kansas City at the April 8, 2014, Special Election amended the City Charter in Section 804 to mandate the adoption of a Five-Year Financial Plan by November 1 of each year; and

WHEREAS, since enactment of this Charter provision, the City Council has annually adopted a resolution approving a Citywide Business Plan including Council Goals, the Financial Strategic Plan, and the Balanced Scenario of the Five-Year Planning Model; and

WHEREAS, the City Council adopted Committee Substitute for Resolution No. 200807 on October 29, 2020, adopting the 2020-2024 Citywide Business Plan; and

WHEREAS, the Submitted Citywide Business Plan contains the City Goals, the Financial Strategic Plan, and the proposed Five-Year Planning model; and

WHEREAS, the City Goals include Finance and Governance, Housing and Healthy Communities, Public Safety, and Infrastructure and Accessibility, with 18 total Objectives and 86 Strategies; and

WHEREAS, the Financial Strategic Plan proposes 13 financial objectives; and

WHEREAS, the Submitted Citywide Business Plan proposes a Five-Year Planning Model that addresses several objectives in the Financial Strategic Plan; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Council hereby adopts the City Goals with the Objectives and Strategies outlined in Resolution No 200807.

Section 2. That the City Council hereby adopts the Financial Strategic Plan including the following priorities:

1. Revise the Fund Balance and Reserve Policy to account for amounts above the General Fund Unreserved Fund Balance goal of at least two months operating expenditures
2. Update financial policies to identify required actions in response to severe recession, natural disaster, or other financial shock
3. Identify solutions to structurally balance special revenue funds traditionally supported by the General Fund
4. Adopt a model portfolio of services and adjust the City's expenditure ratios as needed to maintain portfolio balance
5. Seek legislative relief with regard to the five-year renewal of the earnings tax
6. Ensure that fee-supported services are self-supporting to the extent practicable
7. Commission a tax burden study
8. Develop a comprehensive debt portfolio report to demonstrate compliance with the codified debt policy objectives
9. Attain a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and liquidity needs
10. Develop and implement a comprehensive risk management program
11. Implement an outcomes-based budgeting system
12. Develop a long-range funding plan for pension, healthcare, and other post-employment benefits
13. Create a comprehensive financial recovery plan to mitigate the impact of the recession caused by the COVID-19 pandemic

Section 3. That the City Council hereby adopts the Balanced Scenario in the Five-Year Planning Model that addresses objectives identified in this resolution and that includes the following assumptions:

Assume FY 2021-22 Adopted Budget plus the following conditions:

- Assumes for expenditures

- A 2% increase in wages expenses for management, labor, and police employees
 - A 3% increase in wages expenses for fire employees
 - A 3% annual increase in pension contributions beginning in FY 2023-24 reflecting actuarial assumptions
 - A 5% increase in health insurance expenses
 - A 2% increase in operating expenses
 - Removal of hiring freeze
 - No new debt issued
 - An increase in FY 2022-23 to implement a one-year compensation plan
 - An increase beginning in FY 2022-23 for the One Percent for Violence Prevention program
 - An increase beginning in FY 2022-23 for an increase in bulky item services
- Assumes for revenues
 - A 2.5% increase in earnings tax
 - A 2% growth in sales tax revenue
 - A 5% growth in use tax revenue
 - A 2% growth in property tax revenue
 - A 2% decline in utility tax revenue
 - A 3% decline in tourism and leisure taxes
 - A 0.5% increase in license and permit revenues
 - A 1% increase in service charge revenues
 - The General Fund subsidizes the anticipated shortfall in all other governmental activities funds (Special Revenue, Debt, Capital)

Section 4. That the City Council directs the City Manager to include the assumptions of the Financial Strategic Plan, the Five-Year Planning Model, and the GOKC Bond Plan in the Submitted FY 2022-23 Budget.

Section 5. That the City Council directs the City Manager to direct the strategic and business planning of City departments and to align departmental strategic plans and business plans to the Citywide Business Plan.

Section 6. That the City Council may update and enhance the Citywide Business Plan and the Council's adopted priorities through the Council committee process.
