

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 160646

Adopting the 2017-2022 Citywide Business Plan including Council 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 mandated the inclusion of a Five-Year Financial Plan in the City Charter; and

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

WHEREAS, this Charter provision, Section 804, requires the City Council to adopt a five-year financial plan no later than November 1 of each year; and

WHEREAS, City staff specified Departmental Strategic Objectives within Council Goals on July 15, 2016; and

WHEREAS, the City Manager and Finance Department staff presented the Submitted Citywide Business Plan to the Finance and Governance Committee on August 24, 2016, and to the City Council in subsequent meetings; and

WHEREAS, residents participated in four Citizen Work Sessions on September 13, 2016, September 22, 2016, October 1, 2016, and October 6, 2016, to provide input and feedback on the Citywide Business Plan; and

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

WHEREAS, the Council Goals include Customer Service and Communication, Finance and Governance, Neighborhoods and Healthy Communities, Housing, Planning, Zoning, and Economic Development, Public Safety, and Transportation and Infrastructure with 67 total Departmental Strategic Objectives; and

WHEREAS, the Financial Strategic Plan proposes 15 financial objectives; and

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 160646

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

WHEREAS, the Council will continue its commitment to the citizens to allocate revenues in keeping with ballot language approved by the voters; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Council hereby adopts the following Council Goals with the following Departmental Strategic Objectives:

Customer Service and Communication

1. Implement established customer service standards that can be applied across all departments. (April 2018)
2. Require all departments to identify customer expectations and perceptions and measure satisfaction via feedback tools such as surveys. (April 2018)
3. Execute the strategic communication plan in support of the Citywide Business Plan. (April 2018)
4. Continually seek innovative and creative ways to connect and communicate with the public and staff while applying an integrated and strategic approach to all communication efforts. (Ongoing)
5. Expand customer and communications training for existing employees through Think Zoom and other channels. (Ongoing)
6. Expand resident engagement in the Citywide Business Plan and budget review processes. (April 2017)
7. Make information about the City's performance, operations, and financial condition more transparent, user-friendly, and understandable to elected officials and the public. (Ongoing)
8. Establish a process to identify public health and public safety issues and create campaigns to improve awareness and availability of resources by creating one Public Service Announcement (PSA) per quarter and providing training opportunities for citizens. (November 2017)

Finance and Governance

1. Seek legislative relief with regard to the five-year renewal of the earnings tax. (Ongoing)

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 160646

2. Develop and deliver an organizational standard of administrative, governance, and financial core competencies for employees by employing a combination of classroom and online training, including implementation of the Finance Training Academy in the spring of 2017. (Ongoing)
3. Maintain and strengthen the City's General Obligation AA credit rating through the Five-Year Financial Plan and build the General Fund balance to at least two months of operating expenditures. (Ongoing)
4. Implement policies and procedures including fit for duty, transitional duty, functional job studies, fraud prevention, and enhanced safety training for employees (May 2018), and implement strategies that reduce risks and reduce exposure to accidents. (May 2019)
5. Identify and take advantage of opportunities for cost savings and efficiencies through operational analyses and managed competition, including a review of citywide timekeeping and payroll functions. (Ongoing, April 2018)
6. Continue to implement a vehicle and equipment replacement program. (2022)
7. Develop a comprehensive funding strategy for maintenance and capital improvements in conjunction with the renewal of the Capital Improvement Sales Tax and an up to \$800 million General Obligation Bond authorization in April 2017. (December 2016)
8. Incorporate special revenue funds into the Five-Year Financial Plan and ensure they are structurally balanced. (2017)
9. Review the City's revenue structure and identify potential new sources of income and current barriers to generation of grant revenue. (2017)
10. Develop a long-range plan in conjunction with collective bargaining groups to fully fund benefit programs including pension, healthcare, and other post-employment benefits. (2021)

Neighborhoods and Healthy Communities

1. Demolish, salvage, or rehab the City's current dangerous buildings inventory. (2019)
2. Increase overall life expectancy and reduce health inequalities between zip codes, in particular the following zip codes with the lowest life expectancy: 64109, 64126, 64127, 64128, 64130, and 64132; and the

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 160646

additional zip codes with the least improvement in life expectancy: 64134, 64131, 64117, 64138, 64114, and 64133. (2020)

3. Implement the Community Health Improvement Plan (KC-CHIP). (February 2017)
4. Enact state legislation to provide the City and local neighborhoods better control over the future of vacant properties. (Ongoing)
5. Strengthen blight reduction efforts through ordinance changes, collaborating with community partners, reducing illegal dumping and litter, promoting clean neighborhoods, and aggressively marketing Land Bank and KC Homesteading Authority properties. (May 2018)
6. Implement services, programs, and activities outlined in community centers' business plans that have been targeted to the specific needs of each community to enhance revenue and attendance. (Ongoing)
7. Develop a cultural mapping inventory to increase access to arts and cultural activities while promoting community development. (2019)
8. Increase the waste diversion rate as recommended by the City's 2007 Climate Protection Plan through policies and programs that promote recycling and re-use. (2021)
9. Identify and mitigate community health hazards by monitoring and responding to communicable diseases and environmental threats. (Ongoing)

Housing

1. Perform targeted housing condition surveys. (July 2017)
2. Implement a new five-year consolidated plan and Fair Housing Initiative. (2017)
3. Develop a new City Housing Policy that addresses all housing types, including very low income, affordable, workforce, and market rate. (April 2017)
4. Develop and implement strategies that increase the proportion of children living in lead-free homes. (May 2018)
5. Implement a Healthy Homes Inspections program through the Health Department to protect rental property occupants from environmental hazards and improve energy efficiency. (May 2018)

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 160646

6. Support establishment of a new local housing financing organization that offers single-family rehabilitation and new infill construction to support home ownership opportunities. (April 2018)
7. Integrate the results of the Market Value Analysis into City housing and economic development strategies. (2017)
8. Neighborhoods and Housing Services, Environmental Quality, and the Health Department collaborate and identify funding sources to improve and maximize energy efficiency to reduce costs for the residents of Kansas City, with emphasis upon low-income households, and multi-family low-income housing. (May 2018)

Planning, Zoning, and Economic Development

1. Continue implementation of the City's long-range economic strategic plan utilizing the recommendations of the AdvanceKC strategic plan. (2017)
2. Create and implement aggressive neighborhood revitalization plans that are consistent with Kansas City's comprehensive, long-range economic and physical growth plans, with special attention to sustainable development projects or projects in historically underdeveloped corridors and neighborhoods. (Ongoing)
3. Implement programs that foster entrepreneurship, small business growth, and development. (Ongoing)
4. Complete the City Planning and Development Service Improvement Plan to streamline business processes and systems. (2017)
5. Enhance Kansas City as a destination for leisure and business travel through aggressive promotion of our community and continued investment in the City's convention and entertainment facilities. (Ongoing)
6. Identify creative space development needs of the arts, culture, and creative sector through an arts market study, and develop a plan for meeting the needs through planning and economic development partnerships. (2017)
7. Develop a plan defining paths to economic mobility for residents of Kansas City, Missouri living in poverty. (2018)
8. Adopt and implement the digital inclusion strategic plan. (2017)
9. Analyze the current and historic use of incentives to determine the ongoing need for development assistance. (2017)

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 160646

10. Develop a plan that identifies the steps necessary to ensure a 21st Century airport terminal and related facilities for business and leisure travelers is operational by 2023. (2018)

Public Safety

1. Complete a Kansas City Police Department staffing study and develop a multi-year plan to implement the approved recommendations. (January 2017)
2. Reduce crime among all age groups, placing an emphasis on young offenders. (Ongoing)
3. Measure the impact and effectiveness of the Kansas City Assessment and Triage Center (KC ATC). (July 2017)
4. Prevent animal-related threats to public safety and support animal welfare through improved pet license compliance, education, and effective animal response operations. (Ongoing)
5. Measure the effectiveness of the Municipal Court's docket system changes utilizing the National Center for State Courts (NCSC) court performance measures. (August 2017)
6. Continue to refine and implement standards and policies of the City's specialty courts to meet national best practices. (Ongoing)
7. Develop and implement the Ground Emergency Transportation (GEMT) legislation that amended Chapter 208, RSMo, to provide for supplemental reimbursement for ambulance services to MO HealthNet participants. (2018)
8. Evaluate and identify areas of opportunity in the Fire Department's emergency response delivery system to ensure the best patient outcomes. (July 2017)
9. Review, enhance, and develop programs of the Kansas City Police Department (KCPD) and the Kansas City Fire Department (KCFD) to improve diversity of employee recruitment, succession planning, and retention. (November 2017)
10. Investigate the feasibility of body cameras for the Kansas City Police Department. (November 2017)

Transportation and Infrastructure

STRATEGIES

1. Align City infrastructure needs with Citizen Satisfaction and feedback to prioritize Fiscal Year 2017-2018 investments and improve citizen satisfaction with City services.
2. Leverage infrastructure investments to improve quality of life in Kansas City by seeking long-term sustainable infrastructure solutions and expanding opportunities for the local workforce.
3. Utilize industry best management practices to implement sustainable solutions and leverage local, national, and international partnerships in the design and construction of new development.

OBJECTIVES

1. Develop a five-year City-wide infrastructure asset management plan aimed at providing reliable service to residents, meeting federal requirements and maximizing the useful life, of all assets, including, but not limited to the following: (May 2019)
 - a. water, sewer, and stormwater;
 - b. roadways;
 - c. sidewalks and curbs;
 - d. signals;
 - e. streetlights;
 - f. trees;
 - g. parks; and
 - h. multi-modal transportation (bikes, pedestrians, and transit).
2. Develop a financial plan to support the City's integrated infrastructure plan. (May 2019)
3. Develop and implement a citywide climate resiliency plan and protocols to safeguard and restore critical City infrastructure in the event of a natural disaster. (May 2022)
4. Maintain a high-level of citizen satisfaction with regard to the repair and restoration of City infrastructure. (Quarterly review and adjustment)
5. Support local workforce development and continue to increase the number of local, minority, and women-owned business contracts by increasing awareness and response to City-issued RFQ/Ps through advertisements,

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 160646

- Annual Capital Improvement Overview, and City-sponsored learning opportunities. (December 2018 and annual review)
6. Refine and implement strategic infrastructure investments in the Twin Creeks and other growth areas that capitalize on natural features, promote unique development patterns, build civic space, and promote sustainable design and construction. (May 2019)
 7. Implement the Envision Sustainable Infrastructure Rating System in all infrastructure planning and projects to maximize sustainable development solutions. (2019)
 8. Implement Kansas City's Overflow Control Program to meet City's federal consent decree requirements. (Annual milestones, ending September 2035)
 9. Seek opportunities to reduce financial impacts of work required as part of the City's Overflow Control Program by proactively working with EPA to adjust the timeline for project completion, proposing additional green infrastructure solutions and seeking opportunities to supplemental funding sources. (December 2019)
 10. Implement the City's Americans with Disabilities Act (ADA) plan to meet the Department of Justice's settlement agreement and ensure that all projects meet ADA standards. (Ongoing)
 11. Update the City's Climate Protection Plan to include Envision Sustainable practices and to enhance participation. (December 2018)
 12. Expand the public art program to a broader category of assets. (2018)

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

1. Achieve within five years a General Fund Unreserved Fund Balance of at least two months operating expenditures.
2. Incorporate special revenue funds into the Five-Year Financial Plan and set guidelines for each fund or fund type's balance and/or reserve levels.
3. Adopt ratios for an optimal mix of infrastructure financing methods that protects the City's investment, minimizes future replacement and maintenance costs, and ensures continued service.

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 160646

4. Develop a policy to guide the financial actions the City shall take in the event of emergencies, natural disasters, downturns in the economy, or other unexpected events.
5. Adopt a model portfolio of services and adjust the City's expenditure ratios as needed to maintain portfolio balance.
6. Seek legislative relief with regard to the five-year renewal of the earnings tax. (Finance and Governance Objective 1)
7. Ensure that fee-supported services are self-supporting to the extent practicable.
8. Develop an annual tax burden study.
9. Review the City's revenue structure, identify potential new sources of income, and present findings to the Mayor and City Council for consideration. (Finance and Governance Objective 9)
10. Update the City's debt policy and adopt debt issuance target ratios.
11. Attain a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and liquidity needs.
12. Develop multi-year business/strategic plans for each department that meet service goals while staying consistent with financial realities.
13. Link budget allocations to measured service levels.
14. Develop a long-range plan in conjunction with collective bargaining groups to fully fund benefit programs including pension, healthcare, and other post-employment benefits. (Finance and Governance Objective 10)
15. Address other post-employment benefits liability through either plan design changes, direct funding, or both.

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:

- Budget variance, FY 2016-17 Adopted Budget, +1.0% revenues, -1.0% expenditures
- No new employees throughout the forecast period

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 160646

- Employer contributions to health insurance increase 5% per year
- Employer contribution percentages increase by employee group per fiscal year -
 - Employees' Retirement System - 5% per year includes revised assumptions
 - Police Retirement System and Civilian Employees' Retirement System – 3% does *not* include revised assumptions
 - Firefighters' Retirement System - 5% does *not* include revised assumptions
- Includes negotiated and projected increases for Local 42, Local 500 and non-represented employees
- Assumes 2% wage growth for Police Department
- Includes estimated debt service in the General Fund for Linwood Shopping Center (\$500,000 per fiscal year) and for PeopleSoft (\$535,000 per fiscal year)
- Ground Emergency Medical Transportation (GEMT) revenue phased in beginning in FY 2017-18 (\$24,000,000 over five years)
- Continues citywide fleet replacement program *except* General Fund programs
- Anticipated savings from refunding of KC LIVE debt service (\$17.2 million over five years)
- Assumes increased revenues or decreased expenditures to offset anticipated shortfall of \$6.8 million per year or \$34 million over the forecast period – equivalent to 125 non-public safety positions
- Includes estimated debt service in the Health Levy Fund for the Triage Center (\$520,000 over three years)
- General Fund absorbs increased fire apparatus debt service (\$10.8 million over five years)
- Reduces health care safety net providers and Health Department by \$1.8 million combined over three years (FY 2020 – 2022)
- Transfers additional \$4.8 million over two years to Street Maintenance Fund (FY 2021 – 2022)

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 160646

- Transfers \$500,000 in Police equipment and facilities expenditures from the General Fund to the Public Safety Sales Tax Fund
- Reduces Kansas City Area Transportation Authority (KCATA) funding by \$8.5 million over five years

Section 4. That the City Council directs the City Manager to include the assumptions of the Financial Strategic Plan and the Five-Year Planning Model in the Submitted FY 2017-18 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.
