

ORDINANCE NO. 110333

Amending Section 2-1611 Code of Ordinances, entitled “Authority, investment committee”, and Section 2-1990(j), Code of Ordinances, entitled “Debt policy – Retention of consultants and other related parties” by reflecting the reorganization of Council standing committees for the term of office beginning May 1, 2011 by replacing references to the Finance and Audit Committee.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. *Amend Section 2-1611, Investment Committee.* That Section 2-1611, Code of Ordinances, entitled “Authority, investment committee” is amended to read as follows:

**Sec. 2-1611. Authority, investment committee.**

The investment committee shall be composed of a member of the city council who serves on the city council standing committee cognizant of investment matters as appointed by the mayor, the director of finance, the city treasurer, the city manager or his or her designee, the budget officer or his or her designee, and the city counselor or his or her designee. In accordance with state law (as amended from time to time), the investment committee shall establish an investment policy that reflects best practices for the prudent investment of taxpayer funds, including, but not limited to, investing taxpayer funds legally, safely, and with regard to the liquidity needs of the city. The investment policy shall be approved by the city council. Subsequently, the investment committee may make administrative changes to the policy, notifying the chair of the city council standing committee cognizant of investment matters of such changes. Substantive changes to the policy must be approved by the city council. The investment committee shall meet on a regular basis to approve the investment activities.

Section 2. *Amend Section 2-1990(j), Debt policy – Retention of consultants and other related parties.* That Section 2-1990(j), Code of Ordinances, entitled “Debt policy – Retention of consultants and other related parties” is amended to read as follows:

**Sec. 2-1990. - Debt policy. \* \* \***

(j) *Retention of consultants and other related parties.* The city recognizes the nature of the municipal bond industry is such that specialized consultants may need to be retained. The city will strive to retain those consultants who will best advise them on individual issues and the overall city debt program in a manner, which will most advantageously position the city on both a short and long-term basis. In general, a competitive selection process will be used in the retention of any consultants; however, the CFO/director of finance may also directly engage consultants on a case-by-case basis. At the discretion of the committee chair, a member of the city council standing committee cognizant of debt matters may be asked to serve on a selection committee for retention of consultants and other related parties.

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- (1) *Bond/swap counsel.* The city attorney will maintain responsibility for selection and procurement of bond and swap counsel. Bond and swap counsel will be retained who are recognized by the bond market (Red Book) and who have extensive expertise in the public finance areas commensurate with the needs of the city.
- (2) *Financial advisors.*
  - a. The city will select financial advisors who may either be independent financial advisors or firms who engage in municipal bond underwriting or brokerage services. While serving as the city's financial advisor, a firm may not also engage in the underwriting of the city bond issue for which that firm acts as financial advisor. A firm may also not switch roles (i.e., from financial advisor to underwriter) after a financial transaction has begun.
  - b. Financial advisors shall be selected through a competitive process after a review of proposals by a committee, which may include a member of the city council standing committee cognizant of debt matters and city staff.
  - c. During the contract term of any party acting as financial advisor, neither the firm nor any individual employed by that firm will perform financial advisory, investment banking or similar services for any entity other than the city in transactions involving a city financial commitment without the specific direction of the city's CFO/director of finance.
- (3) *Underwriters.* For negotiated sales, the city will generally select or pre-qualify underwriters through a competitive process. This process may include a request for proposal or qualifications to all firms considered appropriate for the underwriting of a particular issue or type of bonds. The city will determine the appropriate method to evaluate the underwriter submittals and then select or qualify firms on that basis. The city will not be bound by the terms and conditions of any underwriting agreement, oral or written, to which it was not a party.
- (4) *Other parties.* Depending on the specific bond issue, other parties customary in the bond issuance process may need to be engaged (e.g. trustee banks, printers, dissemination agents, bond insurers, etc.). The city will retain those parties which are first acceptable to the municipal market for that particular issue, and then having those characteristics of professional standing and cost-effectiveness.

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Approved as to form and legality:

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William D. Geary  
Assistant City Attorney